

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Vijay Vaidyanathan et al.
Serial No. 10/032,751
Filed: 10/27/2001
For: **DIGITAL FILE MARKETPLACE**

Examiner: Fadey S. Jabr
Art Unit: 3628

Mail Stop Appeal Brief – Patents
Commissioner for Patents
PO Box 1450
Alexandria, VA 22313-1450

Sir:

An **APPEAL BRIEF** is filed herewith. The Appellants enclose a payment in the amount of \$510.00 as required by 37 C.F.R. § 1.17(c). If any additional fees are required in association with this appeal brief, the Director is hereby authorized to charge them to Deposit Account 50-1732, and consider this a petition therefor.

APPEAL BRIEF

(1) REAL PARTY IN INTEREST

The present application is owned by Qurio Holdings, Inc. whose corporate headquarters are 1130 Situs Court, Suite 216, Raleigh, NC 27606.

(2) RELATED APPEALS AND INTERFERENCES

This appeal is related to an appeal that was pending for the parent application, Application Serial No. 09/963,812, entitled METHOD AND SYSTEM FOR GENERATING REVENUE IN A PEER-TO-PEER FILE DELIVERY NETWORK, Attorney Docket Number 1104-032, which was filed on December 6, 2006. In response to this appeal, an Examiner's Answer was mailed on February 27, 2007. The Appellants submitted a Reply Brief on April 24, 2007. The appeal was undocketed and returned to the Examiner on October 5, 2007. The Examiner mailed a corrected Examiner's Answer on October 30, 2007. The Appellants submitted a Response under 37 C.F.R. § 1.111 on December 27, 2007.

This appeal is also related to an appeal filed on October 15, 2007 for Application Serial No. 10/991,718, entitled DIGITAL FILE MARKETPLACE, Attorney Docket Number 1104-033. The Appellants submitted a Revised Appeal Brief on November 15, 2007 to amend the

Related Appeals and Interferences Section. In response to this appeal, an Examiner's Answer was mailed on November 28, 2007. The Examiner's Answer was remailed on December 7, 2007. The Appellants submitted a Reply Brief on January 25, 2008.

Additionally, this appeal is related to an appeal filed on August 2, 2006 for Application Serial No. 10/082,884, entitled METHOD AND SYSTEM FOR AUTOMATICALLY DISTRIBUTING FEES, INCLUDING A RESELLER COMMISSION, DURING A DIGITAL FILE TRANSACTION, Attorney Docket Number 1104-034. The Appellants submitted a Revised Appeal Brief on September 15, 2006 to amend the Summary of Claimed Subject Matter Section. In response to this appeal, an Examiner's Answer was mailed on December 7, 2006. The Appellants submitted a Reply Brief on January 30, 2007.

Finally, this appeal is related to an appeal filed on July 26, 2006 for Application Serial No. 10/159,224, entitled METHOD AND SYSTEM FOR DELIVERING FILES IN DIGITAL FILE MARKETPLACE, Attorney Docket Number 1104-042. The Appellants submitted a Revised Appeal Brief on September 15, 2006 to amend the Summary of Claimed Subject matter, Grounds of Rejection to be Reviewed on Appeal, and the Argument sections. The Appellants submitted a Revised Appeal Brief on December 6, 2006 to amend the Claims Appendix. In response to this appeal, prosecution was reopened by the Examiner through the mailing of a non-final office action on March 21, 2007.

(3) STATUS OF CLAIMS

Claims 1-40 were rejected with the rejection made final on September 25, 2007.

Claims 1-40 are pending and are the subject of this appeal.

(4) STATUS OF AMENDMENTS

All amendments have been entered to the best of the Appellant's knowledge. No amendments have been filed after the Final Office Action mailed September 25, 2007.

(5) SUMMARY OF CLAIMED SUBJECT MATTER

In the following summary, the Appellants have noted where in the Specification certain subject matter exists. The Appellants wish to point out that these citations are for demonstrative purposes only and that the Specification may include additional discussion of the various

elements, citations to which are not pointed out below. Thus, the noted citations are in no way intended to limit the scope of the pending claims.

The present invention relates to an electronic marketplace for buying and selling digital files (Specification, page 1, lines 8-10). The present invention allows a content owner to post a file on a digital marketplace, provide information about the file, set a retail price that users will be charged for downloading the file, and set a reseller commission for the file (Specification, page 3, lines 17-20). A first user then may search the files posted on the digital marketplace for a file, which the first party will resell on a third party website (Specification, page 3, lines 20-22). A second user may further search the files posted on the digital marketplace for a file to download to a third party website (Specification, page 3, line 22 through page 4, line 2). The second user may also download files from the third party website (Specification, page 4, lines 1-2). If the second user downloads a file from the third party website, the first user, who sold the digital file and who is separate from the content owner, is paid the reseller commission (Specification, page 4, lines 1-3). Moreover, the content owner receives a payment, which is based on the retail price minus the reseller commission (Specification, page 4, lines 3-4).

Independent claim 1 recites a method for providing an online digital marketplace (Figure 1, element 10; see also Specification, page 5, line 22), the digital marketplace having a plurality of digital files (Figure 1, element 12; see also Specification, page 5, line 23) for access by consumers (Figure 1, element 16; see also Specification, page 6, lines 8-9) over a network, the method comprising the steps of:

- (a) allowing a content owner (Figure 1, element 14) to post a file (Figure 1, element 12) on the marketplace for access by users by (Specification, page 6, lines 1-2),
 - (i) providing information about the file (Figure 3A, step 50; see also Specification, page 10, line 15),
 - (ii) setting a retail price that users will be charged for downloading the file (Figure 3A, step 52; see also Specification, page 6, lines 14-15; and page 10, lines 20-21), and
 - (iii) setting a reseller commission for the file (Figure 3A, step 53; see also Specification, page 6, lines 15-16; and page 10, line 21);

(b) allowing a first user (Figure 1, element 15; see also Specification, page 6, lines 5-6) to search for files posted on the digital marketplace for one to resell on a third party website (Figure 3A, steps 56-60; see also Specification, page 11, lines 6-20);

(c) allowing a second user (Figure 1, element 16) to search the files posted on the digital marketplace for one to download (Figure 3B, steps 61 and 62; see also Specification, page 11, line 21 through page 12, line 1);

(d) if the second user selects a particular file to download, charging the user the retail price set for the file (Figure 3B, step 63; see also Specification, page 12, lines 1-2);

(e) if the second user downloads the particular file from the third party website, paying the first user the reseller commission set for the file (Specification, page 6, lines 18-20); and

(f) paying the content owner a payment based on the retail price minus the reseller commission (Figure 3B, steps 64 and 65; see also Specification, page 12, lines 2-6).

Dependent claim 4, which depends from independent claim 1 recites that step (a) further includes allowing the content owner to set the retail price and the reseller commission both positively and negatively (Figure 2, elements 32-46; see also Specification, page 7, line 6 through page 10, line 3).

Dependent claim 9, which ultimately depends from independent claim 1, recites that step (b)(i) further recites including as the sorting options sorting the matching files by popularity, by date, by size, by price, and by the reseller commission (Specification, page 11, lines 13-15).

Independent claim 12 recites a computer-readable medium containing program instructions for providing an online digital marketplace (Figure 1, element 10; see also Specification, page 5, line 22), the digital marketplace having a plurality of digital files (Figure 1, element 12; see also Specification, page 5, line 23) for access by consumers (Figure 1, element 16; see also Specification, page 6, lines 8-9) over a network, the computer-readable medium comprising the instructions of:

(a) allowing a content owner (Figure 1, element 14) to post a file (Figure 1, element 12) on the marketplace for access by users by (Specification, page 6, lines 1-2),

(i) providing information about the file (Figure 3A, step 50; see also Specification, page 10, line 15),

- (ii) setting a retail price that users will be charged for downloading the file (Figure 3A, step 52; see also Specification, page 6, lines 14-15; and page 10, lines 20-21), and
- (iii) setting a reseller commission for the file (Figure 3A, step 53; see also Specification, page 6, lines 15-16; and page 10, line 21);
- (b) allowing a first user (Figure 1, element 15; see also Specification, page 6, lines 5-6) to search for files posted on the digital marketplace for one to resell on a third party website (Figure 3A, steps 56-60; see also Specification, page 11, lines 6-20);
- (c) allowing a second user (Figure 1, element 16) to search the files posted on the digital marketplace for one to download (Figure 3B, steps 61 and 62; see also Specification, page 11, line 21 through page 12, line 1);
- (d) if the second user selects a particular file to download, charging the user the retail price set for the file (Figure 3B, step 63; see also Specification, page 12, lines 1-2);
- (e) if the second user downloads the particular file from the third party website, paying the first user the reseller commission set for the file (Specification, page 6, lines 18-20); and
- (f) paying the content owner a payment based on the retail price minus the reseller commission (Figure 3B, steps 64 and 65; see also Specification, page 12, lines 2-6).

Dependent claim 15, which depends from independent claim 12, recites that the instruction (a) further includes allowing the content owner to set the retail price and the reseller commission both positively and negatively (Figure 2, elements 32-46; see also Specification, page 7, line 6 through page 10, line 3).

Dependent claim 20, which ultimately depends from independent claim 12, recites that the instruction (b)(i) further includes the instruction of: including as the sorting options sorting the matching files by popularity, by date, by size, by price, and by the reseller commission (Specification, page 11, lines 13-15).

Independent claim 23 recites a method for providing an online digital marketplace (Figure 1, element 10; see also Specification, page 5, line 22), the digital marketplace having a plurality of digital files (Figure 1, element 12; see also Specification, page 5, line 23) for access by consumers (Figure 1, element 16; see also Specification, page 6, lines 8-9) over a network, the method comprising the steps of:

- (a) allowing a content owner (Figure 1, element 14) to post a file (Figure 1, element 12) on the marketplace for access by users by (Specification, page 6, lines 1-2),
 - (i) providing information about the file (Figure 3A, step 50; see also Specification, page 10, line 15),
 - (ii) setting a retail price that users will be charged for downloading the file (Figure 3A, step 52; see also Specification, page 6, lines 14-15; and page 10, lines 20-21), and
 - (iii) setting a reseller commission for the file (Figure 3A, step 53; see also Specification, page 6, lines 15-16; and page 10, line 21), wherein both the retail price and the reseller commission may be set positively and negatively (Figure 2, elements 32-46; see also Specification, page 7, line 6 through page 10, line 3);
- (b) allowing a first user (Figure 1, element 15; see also Specification, page 6, lines 5-6) to search for files posted on the digital marketplace for one to resell on a third party website (Figure 3A, steps 56-60; see also Specification, page 11, lines 6-20);
- (c) allowing a second user (Figure 1, element 16) to search the files posted on the digital marketplace for one to download (Figure 3B, steps 61 and 62; see also Specification, page 11, line 21 through page 12, line 1);
- (d) if the second user selects a particular file to download, charging the user the retail price set for the file (Figure 3B, step 63; see also Specification, page 12, lines 1-2);
- (e) if the second user downloads the particular file from the third party website, paying the first user the reseller commission set for the file (Specification, page 6, lines 18-20);
- (f) paying the content owner a payment based on the retail price minus the reseller commission (Figure 3B, steps 64 and 65; see also Specification, page 12, lines 2-6) and
- (g) allowing the content owner to edit the file information and to change the retail price and the reseller commission in real-time (Figure 3B, step 67; see also Specification, page 12, lines 10-12).

Dependent claim 29, which ultimately depends from independent claim 23, recites that the step (b)(i) further includes the step of: including as the sorting options sorting the matching files by popularity, by date, by size, by price, and by the reseller commission (Specification, page 11, lines 13-15).

Independent claim 33 recites a computer-readable medium containing program instructions for providing an online digital marketplace (Figure 1, element 10; see also Specification, page 5, line 22), the digital marketplace having a plurality of digital files (Figure 1, element 12; see also Specification, page 5, line 23) for access by consumers (Figure 1, element 16; see also Specification, page 6, lines 8-9) over a network, the computer-readable medium comprising the instructions of:

- (a) allowing a content owner (Figure 1, element 14) to post a file (Figure 1, element 12) on the marketplace for access by users by (Specification, page 6, lines 1-2),
 - (i) providing information about the file (Figure 3A, step 50; see also Specification, page 10, line 15),
 - (ii) setting a retail price that users will be charged for downloading the file (Figure 3A, step 52; see also Specification, page 6, lines 14-15; and page 10, lines 20-21), and
 - (iii) setting a reseller commission for the file (Figure 3A, step 53; see also Specification, page 6, lines 15-16; and page 10, line 21), wherein both the retail price and the reseller commission may be set positively and negatively (Figure 2, elements 32-46; see also Specification, page 7, line 6 through page 10, line 3);
- (b) allowing a first user (Figure 1, element 15; see also Specification, page 6, lines 5-6) to search for files posted on the digital marketplace for one to resell on a third party website (Figure 3A, steps 56-60; see also Specification, page 11, lines 6-20);
- (c) allowing a second user (Figure 1, element 16) to search the files posted on the digital marketplace for one to download (Figure 3B, steps 61 and 62; see also Specification, page 11, line 21 through page 12, line 1);
- (d) if the second user selects a particular file to download, charging the user the retail price set for the file (Figure 3B, step 63; see also Specification, page 12, lines 1-2);
- (e) if the second user downloads the particular file from the third party website, paying the first user the reseller commission set for the file (Specification, page 6, lines 18-20);
- (f) paying the content owner a payment based on the retail price minus the reseller commission (Figure 3B, steps 64 and 65; see also Specification, page 12, lines 2-6); and

(g) allowing the content owner to edit the file information and to change the retail price and the reseller commission in real-time (Figure 3B, step 67; see also Specification, page 12, lines 10-12).

Dependent claim 39, which ultimately depends from independent claim 34, recites that the instruction (b)(i) further includes the instruction of: including as the sorting options sorting the matching files by popularity, by date, by size, by price, and by the reseller commission (Specification, page 11, lines 13-15).

(6) GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

A. Whether claims 1, 3-7, 10-12, 14-18, and 21-23 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,587,837 B1 to *Spagna et al.* (hereinafter “*Spagna*”) in view of U.S. Patent Application Publication No. 2002/0146122 A1 to *Vestergaard et al.* (hereinafter “*Vestergaard*”) and further in view of U.S. Patent Application Publication No. 2007/0005432 A1 to *Likourezos et al.* (hereinafter “*Likourezos*”).

B. Whether claims 2, 13, 23-27, and 30-37 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over *Spagna* in view of *Vestergaard* and *Likourezos*, and further in view of U.S. Patent Application Publication No. 2003/0023505 A1 to *Eglen et al.* (hereinafter “*Eglen*”).

C. Whether claims 8, 9, 19, and 20 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over *Spagna* in view of *Vestergaard* and *Likourezos*, and further in view of U.S. Patent No. 5,819,092 to *Ferguson et al.* (hereinafter “*Ferguson*”).

D. Whether claims 28, 29, and 38-40 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over *Spagna* in view of *Vestergaard*, *Likourezos*, and *Eglen*, and further in view of *Ferguson*.

(7) ARGUMENT

A. Introduction

The Patent Office has not shown where all the elements of the pending claims are shown in the prior art with sufficient particularity to sustain an obviousness rejection. In particular, the Patent Office has not shown where the prior art discloses the feature of, if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale

of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission where the first user downloaded the file from a digital marketplace and resold the file on the third party website. As such, the Appellants request that the Board reverse the Examiner and instruct the Examiner to allow the claims for these reasons along with the reasons noted below.

B. Summary Of References

1. U.S. Patent No. 6,587,837 B1 To *Spagna*

Spagna relates to rights managements of digital assets. (See *Spagna*, col. 1, ll. 53-56). In particular, *Spagna* discloses protecting the property rights of content owners and exploiting the property rights of content owners. (See *Spagna*, col. 3, ll. 30-36; and col. 12, ll. 7-31). Moreover, *Spagna* discloses keeping records of transactions, which may be used to facilitate reconciliation of transaction payments involving the property rights and the ability of businesses to incorporate electronic content into the current inventory of the business. (See *Spagna*, col. 11, ll. 26-35; and col. 75, ll. 13-17). However, nowhere does *Spagna* disclose the feature of, if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission, where the first user downloaded the file from a digital marketplace and resold the file on the third party website.

2. U.S. Patent Application Publication No. 2002/0146122 A1 To *Vestergaard*

Vestergaard relates to the secure distribution of digital media over computer networks. (See *Vestergaard*, paragraph [0001]). *Vestergaard* discloses a MPE Distributor field 246, which allows for the selection of a distributor for digital files. (See *Vestergaard*, paragraph [0152]). According to *Vestergaard*, a distributor, such as a distributor server 136, is selected from the MPE Distributor field 246, where a content owner 132 interacts with the distributor server 136 in order to make a list of files, which are available on the distributor server 136. (See *Vestergaard*, paragraphs [0090] and [0152]). The content owner 132 provides the files to the distribution server 136 such that the distribution server 136 does not search for files posted on a digital marketplace to resell on a third party website. In addition, *Vestergaard* discloses that the MPE Distributor field 246 is set to a default of 25% of gross receipts. (See *Vestergaard*, paragraph

[0152]). Nonetheless, *Vestergaard* does not disclose that if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission where the first user downloaded the file from a digital marketplace and resold the file on the third party website.

3. U.S. Patent Application Publication No. 2007/0005432 A1 To *Likourezos*

Likourezos relates to a computerized electronic auction payment system. (See *Likourezos*, paragraph [0002]). *Likourezos* discloses that an owner lists an item for sale with a short description on an electronic website. (See *Likourezos*, paragraph [0004]). According to *Likourezos*, a party who has placed the highest bid for the item is the winning bidder. (See *Likourezos*, paragraph [0009]). After the seller has sold his/her product using the electronic website, the owner is paid an amount equal to a charged amount minus a commission and a transaction fee. (See *Likourezos*, paragraph [0010]). However, the buyer does not download a file from the electronic website. Instead, the seller ships the item when payment confirmation is received. (See *Likourezos*, paragraph [0010]). The Appellants submit that *Likourezos* does not disclose that if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission where the first user downloaded the file from a digital marketplace and resold the file on the third party website.

4. U.S. Patent Application Publication No. 2003/0023505 A1 To *Eglen*

Eglen relates to a sales system, which dynamically prices goods and services over a computer network. (See *Eglen*, paragraph [0002]). Specifically, *Eglen* discloses sending a first price of an item to one or more clients. (See *Eglen*, page 20, ll. 12-13). *Eglen* then discloses receiving orders for the item at the first price and sending the item to clients who ordered the item at the first price. (See *Eglen*, page 20, ll. 14-17). *Eglen* goes on to disclose pricing the item at a second price and then sending the second price to one of the clients. (See *Eglen*, page 20, ll.18-21). However, *Eglen* does not disclose that if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller

commission where the first user downloaded the file from a digital marketplace and resold the file on the third party website.

5. U.S. Patent No. 5,819,092 To *Ferguson*

Ferguson discloses a system, which sets fees in an online service. (See *Ferguson*, col. 1, ll. 13-14). The system in *Ferguson* contains a first editor, which allows a user to edit a data store and a second editor, which enables a user to define an interactive behavior of the online service. (See *Ferguson*, col. 38, ll. 43-46). *Ferguson* also discloses that the system contains a fee setting tool, which allows a user to set fees associated with the online service. (See *Ferguson*, col. 38, ll. 55-56). Nonetheless, *Ferguson* does not disclose that if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission where the first user downloaded the file from a digital marketplace and resold the file on the third party website.

C. Legal Standards For Establishing Obviousness

Section 103(a) of the Patent Act provides the statutory basis for an obviousness rejection and reads as follows:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Courts have interpreted 35 U.S.C. § 103(a) as a question of law based on underlying facts. As the Federal Circuit stated:

Obviousness is ultimately a determination of law based on underlying determinations of fact. These underlying factual determinations include: (1) the scope and content of the prior art; (2) the level of ordinary skill in the art; (3) the differences between the claimed invention and the prior art; and (4) the extent of any proffered objective indicia of nonobviousness.

Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH, 45 U.S.P.Q.2d (BNA) 1977, 1981 (Fed. Cir. 1998) (internal citations omitted).

Once the scope of the prior art is ascertained, the content of the prior art must be properly combined. “Often, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demand known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue. To facilitate review, this analysis should be made explicit. See *In re Kahn*, 441 F. 3d 977, 988 (CA Fed. 2006) (“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”).” *KSR Int’l v. Teleflex, Inc.*, No. 04-1350, slip op. at 14 (U.S., Apr. 30, 2007).

Some elements may be inherent within the reference. “To establish inherency, the extrinsic evidence ‘must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill.’” *In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999) (quoting *Cont’l Can Co. v. Monsanto Co.*, 948 F.2d 1264, 1268 (Fed. Cir. 1991)). “The mere fact that a certain thing may result from a given set of circumstances is not sufficient.” *Id.* (citation and quotation omitted). Thus, the possibility that an element may be derived from the reference is insufficient to establish that said element is inherent to the reference.

Whether an element is implicitly or explicitly taught by a reference or combination of references is open to interpretation. While the Patent Office is entitled to give claim terms their broadest reasonable interpretation, this interpretation is limited by a number of factors. First, the interpretation must be consistent with the specification. *In re Hyatt*, 211 F.3d 1367, 1372 (Fed. Cir. 2000); MPEP § 2111. Second, the broadest reasonable interpretation of the claims must also be consistent with the interpretation that those skilled in the art would reach. *In re Cortright*, 165 F.3d 1353, 1359, (Fed. Cir. 1999); MPEP § 2111. Finally, the interpretation must be reasonable. *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1369 (Fed. Cir. 2004); MPEP § 2111.01. This means that the words of the claim must be given their plain meaning unless Appellant has provided a clear definition in the specification. *In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989).

If a claim element is missing after the combination is made, then the combination does not render obvious the claimed invention, and the claims are allowable. As stated by the Federal

Circuit, “[if] the PTO fails to meet this burden, then the Appellant is entitled to the patent.” *In re Glaug*, 283 F.3d 1335, 1338 (Fed. Cir. 2002).

D. Claims 1, 3-7, 10-12, 14-18, And 21-23 Are Patentable Over *Spagna* In View Of *Vestergaard* And Further In View Of *Likourezos*

- 1. None Of The Cited References, Either Alone Or In Combination, Disclose The Feature Of, If A Second User Downloads A File From A Third Party Website, Paying A First User A Reseller Commission For The Sale Of A File Owned By A Content Owner And Then Paying The Content Owner A Payment Based On A Retail Price Minus The Reseller Commission Where The First User Downloaded The File From A Digital Marketplace And Resold The File On The Third Party Website**

Claims 1, 3-7, 10-12, 14-18, and 21-23 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Spagna* in view of *Vestergaard* and further in view of *Likourezos*. The Appellants respectfully traverse the rejection.

According to Chapter 2143.03 of the M.P.E.P., in order to “establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art.” The Appellants submit that neither *Spagna*, *Vestergaard*, nor *Likourezos*, either alone or in combination, discloses all the features recited in claims 1, 3-7, 10-12, 14-18, and 21-23. More specifically, claim 1 recites a method for providing an online digital marketplace comprising, among other features, if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission where the first user downloaded the file from a digital marketplace and resold the file on the third party website. Claims 12 and 23 include similar features. The Appellants submit that none of the references, either alone or in combination, disclose the feature of, if a second user downloads a file from the third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission where the first user downloaded the file from a digital marketplace and resold the file on the third party website.

In maintaining the rejection, the Patent Office asserts that the Appellants do not claim the feature of “paying a content owner a payment based on a retail price minus a reseller commission paid to a party who downloaded the file from a digital marketplace and resold the file on a third

party website.” (See Final Office Action mailed September 25, 2007, page 2.) The Appellants respectfully disagree. Regarding the feature “paying a content owner a payment based on a retail price minus a reseller commission,” claim 1 explicitly recites “paying the content owner a payment based on the retail price minus the reseller commission.” Claims 12 and 23 explicitly recite similar features. Thus, the claims recite the feature of “paying a content owner a payment based on a retail price minus a reseller commission.”

Regarding the feature of “a reseller commission paid to a party who downloaded the file from a digital marketplace,” claim 1 explicitly states “paying the first user the reseller commission set for the file” where the claim includes “allowing a first user to search for files posted on the digital marketplace for one to resell on a third party website.” Claims 12 and 23 explicitly recite similar features. Accordingly, the claims recite the feature of “a reseller commission paid to a party who downloaded the file from a digital marketplace.”

The claims also recite the feature of “resold the file on a third party website.” As detailed above, claim 1 recites “allowing a first user to search for files posted on the digital marketplace for one to resell on a third party website.” Thus, contrary to what is asserted by the Patent Office, the claims recite paying a content owner a payment based on a retail price minus a reseller commission paid to a party who downloaded the file from a digital marketplace and resold the file on a third party website.

The Patent Office also asserts that the feature of “paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission where the first user downloaded the file from a digital marketplace and resold the file on a third party website” is not recited in the claims. The Appellants respectfully disagree. With respect to the feature of “paying a first user a reseller commission for the sale of a file owned by a content owner,” claim 1 recites “allowing a content owner to post a file on the marketplace for access by users,” “allowing a first user to search for files posted on the digital marketplace for one to download,” and “paying the first user the reseller commission set for the file.” Claims 12 and 23 explicitly recite similar features. Therefore, the claims recite the feature of “paying a first user a reseller commission for the sale of a file.”

The claims also recite the feature of “where the first user downloaded the file from a digital marketplace.” Particularly, as previously mentioned, claim 1 recites “allowing a first user

to search for files posted on the digital marketplace for one to resell on a third party website.” Claims 12 and 23 explicitly recite similar features. As such, the claims recite the feature of “where the first user downloaded the file from a digital marketplace.” Regarding the remaining features, namely “paying the content owner a payment based on a retail price minus the reseller commission” and “resold the file on a third party website,” the Appellants have previously discussed where the claims recite these features. As such, the Appellants submit that the claims recite the feature of “paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission where the first user downloaded the file from a digital marketplace and resold the file on a third party website.”

Turning to the references as they have been applied to the pending claims, the Appellants submit that *Spagna* does not disclose the feature of, if a second user downloads a file from the third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission where the first user downloaded the file from a digital marketplace and resold the file on the third party website. Nonetheless, the Patent Office states that *Spagna* discloses this feature at col. 3, ll. 30-36; col. 11, ll. 26-35; col. 12, ll. 7-22 and ll. 28-31; and col. 75, ll. 13-16. (See Advisory Action mailed December 7, 2007, page 2). The Appellants respectfully disagree. At most, the cited portions of *Spagna* disclose protecting the property rights of content owners, the exploitation of these rights, and keeping records of transactions, which may be used to facilitate reconciliation of transaction payments involving the property rights. (See *Spagna*, col. 3, ll. 30-36; col. 11, ll. 26-35; and col. 12, ll. 7-31). Moreover, the cited portion of *Spagna* discloses the ability of businesses to incorporate electronic content into the current inventory of the business. (See *Spagna*, col. 75, ll. 13-17). However, nowhere does the cited portions of *Spagna* disclose the feature of, if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission where the first user downloaded the file from a digital marketplace and resold the file on the third party website. Moreover, the Appellants have reviewed the remaining portions of *Spagna* and submit that nowhere else does *Spagna* disclose these features.

Similarly, neither *Vestergaard* nor *Likourezos*, either singularly or in combination, discloses this feature. The Patent Office supports the rejection by indicating that *Vestergaard* discloses this feature at paragraph [0152]. (See Final Office Action mailed September 25, 2007, page 3 and Advisory Action mailed December 7, 2007, page 2). The Appellants respectfully disagree. While the cited portion of *Vestergaard* does disclose that an MPE Distributor field 246 is set to a default of 25% of gross receipts (see *Vestergaard*, paragraph [0152]), *Vestergaard* does not disclose that a distributor 136 is a first user as recited in the claims where the distributor 136 has downloaded a file from a digital marketplace and has resold the file on a third party website. Instead, *Vestergaard* discloses that a content owner 132 interacts with a distribution server 136 to make a list of available files on the distributor server 136. (See *Vestergaard*, paragraph [0090]). More specifically, the content owner 132 provides the files to the distribution server 136. The distribution server 136 does not search for files posted on a digital marketplace to resell on a third party website. As the distribution server 136 is not a first user as recited in the claims, *Vestergaard* cannot disclose that if a second user downloads a file from a third party website, paying a first user a reseller commission and then paying a content owner a payment based on the retail price minus a reseller commission.

Likewise, *Likourezos* does not disclose the feature of, if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission where the first user downloaded the file from a digital marketplace and resold the file on the third party website. In maintaining the rejection, the Patent Office asserts that *Likourezos* discloses paying a content owner a retail price minus the reseller commission paid to an owner of a website where the product is sold on the website at paragraph [0010]. (See Final Office Action mailed September 25, 2007, page 3). The Appellants respectfully disagree. *Likourezos* discloses that an owner lists an item for sale with a short description on an electronic website. (See *Likourezos*, paragraph [0004]). According to *Likourezos*, a party who has placed the highest bid for the item is the winning bidder. (See *Likourezos*, paragraph [0009]). After the seller has sold their product using the electronic website, the owner is paid an amount equal to a charged amount minus a commission and a transaction fee. (See *Likourezos*, paragraph [0010]). However, according to *Likourezos*, the buyer does not download a file from the electronic website. Instead, the seller ships the item when payment confirmation is received. (See

Likourezos, paragraph [0010]). The buyer cannot download a file from the electronic website, as recited in the claims. Thus, *Likourezos* cannot disclose that if a second user downloads a file from a third party website, paying the first user a reseller commission set for the file and paying that content owner a payment based on the retail price minus the reseller commission. Accordingly, claims 1, 12, and 23 are patentable over the cited references and the Appellants request that the rejection be withdrawn. Similarly, claims 3, 5-7, 10, 11, 14, 16-18, 21, and 22, which variously depend from either claim 1 or 12, are patentable for at least the same reasons along with the novel features recited therein.

2. None Of The References, Either Alone Or In Combination, Disclose Setting A Negative Retail Price Where A Content Owner Pays A Consumer To Download A File

Claim 4, which depends from claim 1, recites that the content owner may set the retail price “negatively.” Claim 15, which depends from claim 12, includes similar features. The Appellants submit that none of the references, either alone or in combination, disclose the feature of setting a negative retail price where a content owner pays a consumer to download a file. (*See* Specification, page 9, lines 6-10). The Patent Office supports the rejection by indicating that *Vestergaard* discloses this feature at paragraph [0152]. (*See* Office Action mailed May 11, 2007, page 6). The Appellants respectfully disagree. The Appellants have reviewed this portion of *Vestergaard* and submit that the reference does not disclose the feature of setting a negative retail price where a content owner pays a consumer to download a file.

3. None Of The References, Either Alone Or In Combination, Disclose Setting A Negative Reseller Commission Where A Reseller Pays A Content Owner To Deliver A File To A Consumer For Free

Claim 4 also recites the feature of setting a reseller commission “negatively.” Claim 15 includes similar features. The Appellants submit that none of the references, either alone or in combination, disclose the feature of setting a negative reseller commission where a reseller pays a content owner to deliver a file to a consumer for free. (*See* Specification, page 9, lines 1-5). In maintaining the rejection, the Patent Office states that *Vestergaard* discloses this feature at paragraph [0152]. (*See* Office Action mailed May 11, 2007, page 6). The Appellants respectfully disagree. The Appellants have reviewed this portion of *Vestergaard* and submit that

the reference does not disclose the feature of setting a negative reseller commission where a reseller pays a content owner to deliver a file to a consumer for free. For this reason and the reasons noted above, claims 4 and 15 are patentable over the cited references and the Appellants request that the rejection be withdrawn.

E. Claims 2, 13, 23-27, And 30-37 Are Patentable Over *Spagna* In View Of *Vestergaard* And *Likourezos*, And Further In View Of *Eglen*

- 1. None Of The References, Either Alone Or In Combination, Disclose The Feature Of, If A Second User Downloads A File From A Third Party Website, Paying A First User A Reseller Commission For The Sale Of A File Owned By A Content Owner And Then Paying The Content Owner A Payment Based On A Retail Price Minus The Reseller Commission Where The First User Downloaded The File From A Digital Marketplace And Resold The File On A Third Party Website**

Claims 2, 13, 23-27, and 30-37 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Spagna* in view of *Vestergaard* and *Likourezos*, and further in view of *Eglen*. The Appellants respectfully traverse the rejection.

Claim 23 recites a method for providing an online digital marketplace comprising, among other features, if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission where the first user downloaded the file from a digital marketplace and resold the file on a third party website. Claim 33 includes similar features. The Appellants submit that none of the references, either alone or in combination, disclose the feature of, if a second user downloads a file from a third party website, paying a first user a reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission where the first user downloaded the file from a digital marketplace and resold the file on a third party website. As detailed above, neither *Spagna*, *Vestergaard*, nor *Likourezos*, either alone or in combination, discloses this feature. Similarly, *Eglen* does not disclose this feature. As such, claims 23 and 33 are patentable over the cited references and the Appellants request that the rejection be withdrawn. Claims 24-27, 30-32, and 34-37, which variously depend from either claim 23 or claim 33, are patentable for at least the same reasons along with the novel features recited therein.

Regarding claims 2 and 13, as detailed above, claims 1 and 12, the base claims from which claims 2 and 13 respectively depend, are patentable over *Spagna*, *Vestergaard*, and *Likourezos*. Moreover, as detailed above, *Eglen* does not address the previously noted shortcomings of *Spagna*, *Vestergaard*, and *Likourezos*. Accordingly, claims 2 and 13 are patentable over the cited references and the Appellants request that the rejection be withdrawn.

F. Claims 8, 9, 19, And 20 Are Patentable Over *Spagna* In View Of *Vestergaard* And *Likourezos*, And Further In View Of *Ferguson*

Claims 8, 9, 19, and 20 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Spagna* in view of *Vestergaard* and *Likourezos*, and further in view of *Ferguson*. The Appellants respectfully traverse the rejection. As mentioned above, *Spagna*, *Vestergaard*, and *Likourezos* fail to disclose all the features recited in claims 1 and 12, the base claims from which claims 8 and 19 respectively depend. In addition, *Ferguson* fails to address the previously noted shortcomings of *Vestergaard*. As such, claims 8 and 19 are patentable over the cited references and the Appellants request that the rejection be withdrawn.

1. None Of The References, Either Alone Or In Combination, Disclose That Sorting Options Include Sorting Files By Popularity, By Date, By Size, By Price, And By Reseller Commission

Claim 9 recites “wherein step (b)(i) further includes the step of: including as the sorting options sorting the matching files by popularity, by date, by size, by price, and by the reseller commission.” Claim 20 includes similar features. The Appellants submit that none of the references, either alone or in combination, disclose that sorting options include sorting files by popularity, by date, by size, by price, and by reseller commission. The Patent Office supports the rejection by indicating that *Spagna* discloses this feature at col. 94, l. 2 and *Ferguson* discloses this feature at col. 10, l. 62 through col. 11, l. 8. (See Final Office Action mailed September 25, 2007, page 4). The Appellants respectfully disagree. The Appellants submit that while the cited portion of *Spagna* mentions sorting by artist, category, label, or other, nowhere does the reference explicitly or inherently disclose sorting options, which include sorting files by popularity, by date, by size, by price, and by reseller commission. Likewise, the cited portion of *Ferguson* mentions nothing about sorting, much less sorting options that include sorting files by popularity, by date, by size, by price, and by reseller commission. The Appellants have reviewed

the remaining portions of *Ferguson* and submit that at most, *Ferguson* discloses sorting a drop-down list box that indicates how entries are sorted within a category. (See *Ferguson*, col. 25, ll. 18-19). However, nowhere does the reference disclose the sorting options recited in claims 9 and 20. Therefore, in addition to the reasons noted above, claims 9 and 20 are patentable over the cited references and the Appellants request that the rejection be withdrawn.

G. Claims 28, 29, And 38-40 Are Patentable Over *Spagna* In View Of *Vestergaard*, *Likourezos*, And *Eglen*, And Further In View Of *Ferguson*

Claims 28, 29, and 38-40 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Spagna* in view of *Vestergaard*, *Likourezos*, and *Eglen*, and further in view of *Ferguson*. The Appellants respectfully traverse the rejection. Claims 28, 38, and 40 depend from claim 23 or 33. As detailed above, claims 23 and 33 are patentable over *Vestergaard*, *Eglen*, and *Spagna*. In addition, *Ferguson* does not disclose the features missing from *Vestergaard*, *Eglen*, and *Spagna*. As such, claims 28, 38, and 40 are patentable over the cited references and the Appellants respectfully request that the rejection be withdrawn.

1. None Of The References, Either Alone Or In Combination, Disclose That Sorting Matching Files By Popularity, By Date, By Size, By Price, And By The Reseller Commission Are Included As Sorting Options

Claim 29 recites “including as the sorting options sorting the matching files by popularity, by date, by size, by price, and by the reseller commission.” Claim 39 includes similar features. The Appellants submit that none of the references, either singularly or in combination, disclose these features. As correctly pointed out in the Office Action, *Spagna* does not disclose these features. (See Office Action mailed May 11, 2007, page 13). Similarly, neither *Vestergaard*, *Likourezos*, *Eglen*, nor *Ferguson*, either singularly or in combination, discloses the sorting option of sorting matching files by date, size, price, and reseller commission. Therefore, for this additional reason, claims 29 and 39 are patentable over the cited references and the Appellants request that the rejection be withdrawn.

H. Conclusion

As set forth above, none of the cited references, either alone or in combination, disclose the feature of, if a second user downloads a file from a third party website, paying a first user a

reseller commission for the sale of a file owned by a content owner and then paying the content owner a payment based on a retail price minus the reseller commission where the first user downloaded the file from a digital marketplace and resold the file on the third party website. Moreover, none of the cited references, either alone or in combination, disclose all the features recited in all of the dependent claims, as previously noted. As such, the Appellants request that the Board reverse the Examiner and instruct the Examiner to allow the claims.

Respectfully submitted,

WITHROW & TERRANOVA, P.L.L.C.

By:



Anthony J. Josephson
Registration No. 45,742
100 Regency Forest Drive, Suite 160
Cary, NC 27518
Telephone: (919) 238-2300

Date: February 13, 2008
Attorney Docket: 1104-031

(8) CLAIMS APPENDIX

1. A method for providing an online digital marketplace, the digital marketplace having a plurality of digital files for access by consumers over a network, the method comprising the steps of:

- (a) allowing a content owner to post a file on the marketplace for access by users by,
 - (i) providing information about the file,
 - (ii) setting a retail price that users will be charged for downloading the file,and
 - (iii) setting a reseller commission for the file;
- (b) allowing a first user to search for files posted on the digital marketplace for one to resell on a third party website;
- (c) allowing a second user to search the files posted on the digital marketplace for one to download;
- (d) if the second user selects a particular file to download, charging the user the retail price set for the file;
- (e) if the second user downloads the particular file from the third party website, paying the first user the reseller commission set for the file; and
- (f) paying the content owner a payment based on the retail price minus the reseller commission.

2. The method of claim 1 further including the step of:

- (g) allowing the content owner to monitor download statistics for the file the content owner posted and to change the retail price and the reseller commission for the file in real-time.

3. The method of claim 1 further including the step of:

- (g) generating revenue for the digital marketplace by subtracting a transaction fee from the payment made to the content owner.

4. The method of claim 1 wherein step (a) further includes the step of:

- (iv) allowing the content owner to set the retail price and the reseller commission both positively and negatively.

5. The method of claim 4 wherein step (a) further includes the step of:
 - (v) requesting the content owner to choose pricing options for the file, including a subscription plan, a pay-per-download, and a publisher-sponsored download.
6. The method of claim 1 wherein step (b) further includes the step of:
 - (i) requesting the first user to enter display options for the search.
7. The method of claim 6 wherein step (b)(i) further includes the step of: including as the display options showing free files, pay-per-download files, or files listed as resalable.
8. The method of claim 1 wherein step (b) further includes the step of:
 - (i) requesting the first user to enter sorting options for the search.
9. The method of claim 8 wherein step (b)(i) further includes the step of: including as the sorting options sorting the matching files by popularity, by date, by size, by price, and by the reseller commission.
10. The method of claim 3 further including the step of: implementing the digital marketplace as a website on a network.
11. The method of claim 3 further including the step of: implementing the digital marketplace as a peer-to-peer network.
12. A computer-readable medium containing program instructions for providing an online digital marketplace, the digital marketplace having a plurality of digital files for access by consumers over a network, the computer-readable medium comprising the instructions of:
 - (a) allowing a content owner to post a file on the marketplace for access by users by,
 - (i) providing information about the file,
 - (ii) setting a retail price that users will be charged for downloading the file,and

- (iii) setting a reseller commission for the file;
- (b) allowing a first user to search for files posted on the digital marketplace for one to resell on a third party website;
- (c) allowing a second user to search the files posted on the digital marketplace for one to download;
- (d) if the second user selects a particular file to download, charging the user the retail price set for the file;
- (e) if the second user downloads the particular file from the third party website, paying the first user the reseller commission set for the file; and
- (f) paying the content owner a payment based on the retail price minus the reseller commission.

13. The computer-readable medium of claim 12 further including the instruction of:

- (g) allowing the content owner to monitor download statistics for the file the content owner posted and to change the retail price and the reseller commission for the file in real-time.

14. The computer-readable medium of claim 12 further including the instruction of:

- (g) generating revenue for the digital marketplace by subtracting a transaction fee from the payment made to the content owner.

15. The computer-readable medium of claim 12 wherein instruction (a) further includes the instruction of:

- (iv) allowing the content owner to set the retail price and the reseller commission both positively and negatively.

16. The computer-readable medium of claim 15 wherein instruction (a) further includes the instruction of:

- (v) requesting the content owner to choose pricing options for the file, including a subscription plan, a pay-per-download, and a publisher-sponsored download.

17. The computer-readable medium of claim 12 wherein instruction (b) further includes the instruction of:

- (i) requesting the first user to enter display options for the search.

18. The computer-readable medium of claim 17 wherein instruction (b)(i) further includes the instruction of: including as the display options showing free files, pay-per-download files, or files listed as resalable.

19. The computer-readable medium of claim 12 wherein instruction (b) further includes the instruction of:

- (i) requesting the first user to enter sorting options for the search.

20. The computer-readable medium of claim 19 wherein instruction (b)(i) further includes the instruction of: including as the sorting options sorting the matching files by popularity, by date, by size, by price, and by the reseller commission.

21. The computer-readable medium of claim 14 further including the instruction of: implementing the digital marketplace as a website on a network.

22. The computer-readable medium of claim 21 further including the instruction of: implementing the digital marketplace as a peer-to-peer network.

23. A method for providing an online digital marketplace, the digital marketplace having a plurality of digital files for access by consumers over a network, the method comprising the steps of:

- (a) allowing a content owner to post a file on the marketplace for access by users by,
 - (i) providing information about the file,
 - (ii) setting a retail price that users will be charged for downloading the file,and
 - (iii) setting a reseller commission for the file, wherein both the retail price and the reseller commission may be set positively and negatively;

(b) allowing a first user to search for files posted on the digital marketplace for one to resell on a third party website;

(c) allowing a second user to search the files posted on the digital marketplace for one to download;

(d) if the second user selects a particular file to download, charging the user the retail price set for the file;

(e) if the second user downloads the particular file from the third party website, paying the first user the reseller commission set for the file;

(f) paying the content owner a payment based on the retail price minus the reseller commission and

(g) allowing the content owner to edit the file information and to change the retail price and the reseller commission in real-time.

24. The method of claim 23 further including the step of:

(h) generating revenue for the digital marketplace by subtracting a transaction fee from the payment made to the content owner.

25. The method of claim 24 wherein step (a) further includes the step of:

(iv) requesting the content owner to choose pricing options for the file, including a subscription plan, a pay-per-download, and a publisher-sponsored download.

26. The method of claim 25 wherein step (b) further includes the step of:

(i) requesting the first user to enter display options for the search.

27. The method of claim 26 wherein step (b)(i) further includes the step of: including as the display options showing free files, pay-per-download files, or files listed as resalable.

28. The method of claim 23 wherein step (b) further includes the step of:

(i) requesting the first user to enter sorting options for the search.

29. The method of claim 28 wherein step (b)(i) further includes the step of: including as the sorting options sorting the matching files by popularity, by date, by size, by price, and by the reseller commission.

30. The method of claim 24 further including the step of: implementing at least six pricing models for file downloads within the digital marketplace, including a pay-per-download a model, a subscription model, a broadcast model, a private download model, a donation, and an infomercial model.

31. The method of claim 25 further including the step of: implementing the digital marketplace as a website on a network.

32. The method of claim 31 further including the step of: implementing the digital marketplace as a peer-to-peer network.

33. A computer-readable medium containing program instructions for providing an online digital marketplace, the digital marketplace having a plurality of digital files for access by consumers over a network, the computer-readable medium comprising the instructions of:

- (a) allowing a content owner to post a file on the marketplace for access by users by,
 - (i) providing information about the file,
 - (ii) setting a retail price that users will be charged for downloading the file,and
 - (iii) setting a reseller commission for the file, wherein both the retail price and the reseller commission may be set positively and negatively;
- (b) allowing a first user to search for files posted on the digital marketplace for one to resell on a third party website;
- (c) allowing a second user to search the files posted on the digital marketplace for one to download;
- (d) if the second user selects a particular file to download, charging the user the retail price set for the file;

- (e) if the second user downloads the particular file from the third party website, paying the first user the reseller commission set for the file;
- (f) paying the content owner a payment based on the retail price minus the reseller commission; and
- (g) allowing the content owner to edit the file information and to change the retail price and the reseller commission in real-time.

34. The computer-readable medium of claim 33 further including the instruction of:

- (h) generating revenue for the digital marketplace by subtracting a transaction fee from the payment made to the content owner.

35. The computer-readable medium of claim 34 wherein instruction (a) further includes the instruction of:

- (iv) requesting the content owner to choose pricing options for the file, including a subscription plan, a pay-per-download, and a publisher-sponsored download.

36. The computer-readable medium of claim 35 wherein instruction (b) further includes the instruction of:

- (i) requesting the first user to enter display options for the search.

37. The computer-readable medium of claim 36 wherein instruction (b)(i) further includes the instruction of: including as the display options showing free files, pay-per-download files, or files listed as resalable.

38. The computer-readable medium of claim 37 wherein instruction (b) further includes the instruction of:

- (i) requesting the first user to enter sorting options for the search.

39. The computer-readable medium of claim 34 wherein instruction (b)(i) further includes the instruction of: including as the sorting options sorting the matching files by popularity, by date, by size, by price, and by the reseller commission.

40. The computer-readable medium of claim 39 further including the instruction of: implementing at least six pricing models for file downloads within the digital marketplace, including a pay-per-download a model, a subscription model, a broadcast model, a private download model, a donation, and an infomercial model.

(9) EVIDENCE APPENDIX

Appellants rely on no evidence, thus this appendix is not applicable.

(10) RELATED PROCEEDINGS APPENDIX

This appeal is related to an appeal that was pending for the parent application, Application Serial No. 09/963,812, entitled METHOD AND SYSTEM FOR GENERATING REVENUE IN A PEER-TO-PEER FILE DELIVERY NETWORK, Attorney Docket Number 1104-032, which was filed on December 6, 2006. In response to this appeal, an Examiner's Answer was mailed on February 27, 2007. The Appellants submitted a Reply Brief on April 24, 2007. The appeal was undocketed and returned to the Examiner on October 5, 2007. The Examiner mailed a corrected Examiner's Answer on October 30, 2007. The Appellants submitted a Response under 37 C.F.R. § 1.111 on December 27, 2007.

This appeal is also related to an appeal filed on October 15, 2007 for Application Serial No. 10/991,718, entitled DIGITAL FILE MARKETPLACE, Attorney Docket Number 1104-033. The Appellants submitted a Revised Appeal Brief on November 15, 2007 to amend the Related Appeals and Interferences Section. In response to this appeal, an Examiner's Answer was mailed on November 28, 2007. The Examiner's Answer was remailed on December 7, 2007. The Appellants submitted a Reply Brief on January 25, 2008.

Additionally, this appeal is related to an appeal filed on August 2, 2006 for Application Serial No. 10/082,884, entitled METHOD AND SYSTEM FOR AUTOMATICALLY DISTRIBUTING FEES, INCLUDING A RESELLER COMMISSION, DURING A DIGITAL FILE TRANSACTION, Attorney Docket Number 1104-034. The Appellants submitted a Revised Appeal Brief on September 15, 2006 to amend the Summary of Claimed Subject Matter Section. In response to this appeal, an Examiner's Answer was mailed on December 7, 2006. The Appellants submitted a Reply Brief on January 30, 2007.

Finally, this appeal is related to an appeal filed on July 26, 2006 for Application Serial No. 10/159,224, entitled METHOD AND SYSTEM FOR DELIVERING FILES IN DIGITAL FILE MARKETPLACE, Attorney Docket Number 1104-042. The Appellants submitted a Revised Appeal Brief on September 15, 2006 to amend the Summary of Claimed Subject matter, Grounds of Rejection to be Reviewed on Appeal, and the Argument sections. The Appellants submitted a Revised Appeal Brief on December 6, 2006 to amend the Claims Appendix. In

response to this appeal, prosecution was reopened by the Examiner through the mailing of a non-final office action on March 21, 2007.

Exhibit A

Electronic Acknowledgement Receipt

EFS ID:	2643137
Application Number:	09963812
International Application Number:	
Confirmation Number:	1207
Title of Invention:	<div style="text-align: center;"> DOCKETED <u>MXA 12/27/07</u> </div> <p>Method and system for generating revenue in a peer-to-peer file delivery network</p>
First Named Inventor/Applicant Name:	Jorg Gregor Schleicher
Customer Number:	27820
Filer:	Benjamin Withrow/Michelle Heymann
Filer Authorized By:	Benjamin Withrow
Attorney Docket Number:	1104-032
Receipt Date:	27-DEC-2007
Filing Date:	26-SEP-2001
Time Stamp:	11:37:41
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no				
File Listing:					
Document Number	Document Description	File Name	File Size(Bytes) /Message Digest	Multi Part /.zip	Pages (if appl.)
1		Response_to_Examiner_Answer_mailed_10-30-07.pdf	<div style="text-align: center;">394824</div> <div style="font-size: small;">ea05bfec5c2e6ba982643ce5145ee152854ec2a7</div>	yes	6

	Multipart Description/PDF files in .zip description		
	Document Description	Start	End
	Amendment After Final	1	1
	Applicant Arguments/Remarks Made in an Amendment	2	6
Warnings:			
Information:			
Total Files Size (in bytes):		394824	
<p>This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.</p> <p><u>New Applications Under 35 U.S.C. 111</u> If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.</p> <p><u>National Stage of an International Application under 35 U.S.C. 371</u> If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.</p> <p><u>New International Application Filed with the USPTO as a Receiving Office</u> If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.</p>			

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Jorg G. Schleicher et al.

Examiner: Fadey S. Jabr

Serial No. 09/963,812

Art Unit: 3628

Filed: 09/26/2001

For: **METHOD AND SYSTEM FOR GENERATING REVENUE IN A PEER-TO-PEER
FILE DELIVERY NETWORK**

Mail Stop Amendment

Commissioner for Patents

PO Box 1450

Alexandria, VA 22313-1450

Sir:

RESPONSE TO THE EXAMINER'S ANSWER MAILED OCTOBER 30, 2007
UNDER 37 C.F.R. § 1.111

In response to the Examiner's Answer mailed October 30, 2007, the Applicants offer the following remarks under 37 C.F.R. § 1.111. If any additional fees are required in association with this response, the Director is hereby authorized to charge them to Deposit Account 50-1732, and consider this a petition therefor.

REMARKS

The Applicants have carefully reviewed the Examiner's Answer mailed October 30, 2007 and offer the following remarks.

The Applicants hereby request that prosecution be reopened before the Primary Examiner. Specifically, this response under 37 C.F.R. §1.111 addresses, and is relevant to, the new grounds of rejection issued in the Examiner's Answer mailed October 30, 2007. The Applicants submit that this request and response comply with 37 C.F.R. § 41.39(b)(1).

Claims 1-6, 9-14, 17-22, and 26-29 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Ricci* in view of *Ferguson*. The Applicants respectfully traverse the rejection.

According to Chapter 2143.03 of the M.P.E.P., in order to "establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art." The Applicants submit that neither *Ricci* nor *Ferguson*, either alone or in combination, discloses all the features recited in claims 1-6, 9-14, 17-22, and 26-29. More specifically, claim 1 recites a method for generating revenue in a peer-to-peer file delivery network comprising, among other features, "periodically sending the subscription-based content to each respective subscribing client node." Claim 17 includes similar features. The Applicants submit that none of the references, either alone or in combination, disclose periodically sending subscription-based content to a subscribing client node. In maintaining the rejection, the Patent Office asserts that *Ricci* discloses this feature at paragraph [0040]. (See Final Office Action mailed March 8, 2006, page 6). The Applicants respectfully disagree. At most, the cited portion of *Ricci* discloses that during the transfer of digital media, a network acts like a peer-to-peer network without requiring a central server. (See *Ricci*, paragraph [0040]). However, no mention is made of periodically sending subscription-based content to a subscribing client node. Furthermore, the Applicants have reviewed the remainder of the reference and submit that nowhere does *Ricci* disclose or suggest this feature. Likewise, the Applicants have reviewed *Ferguson* and submit that *Ferguson* does not disclose periodically sending subscription-based content to a subscribing client node.

Claim 1 also recites "charging a fee to providers of the subscription-based content for serving the subscription-based content." Claim 17 includes similar features. The Applicants submit that none of the references, either alone or in combination, disclose charging a fee to providers of the subscription-based content for serving the subscription-based content. As

correctly pointed out by the Patent Office, *Ricci* does not disclose this feature. (See Examiner's Answer mailed October 30, 2007, page 4). Similarly, *Ferguson* does not disclose this feature. Nevertheless, the Patent Office supports the rejection by stating that *Ferguson* discloses this feature at col. 4, ll. 53-60. (See Examiner's Answer mailed October 30, 2007, page 4). The Applicants respectfully disagree. While the cited portion of *Ferguson* does disclose levying fees against third party content owners for executing a transaction, *Ferguson* does not disclose charging a fee for subscription-based content. (See *Ferguson*, col. 4, ll. 53-60). Likewise, the Applicants have reviewed the remaining portions of *Ferguson* and submit that nowhere does the reference disclose this feature. Accordingly, for at least this reason, claims 1 and 17 are patentable over the cited references. Similarly, claims 2, 4-6, 18, and 20-22, which ultimately depend from claim 1 or 17, are patentable for at least the same reasons along with the novel features recited therein.

Claim 9 recites a system for generating revenue in a peer-to-peer file delivery network comprising, among other features, "means for enabling decentralized downloads of subscription-based content that client nodes of the multiple client nodes subscribe to in order to receive periodic updates." Claim 27 includes similar features. The Applicants respectfully submit that none of the references, either alone or in combination, disclose a means for enabling downloads of subscription-based content in order to receive periodic updates. As detailed above, none of the references, either alone or in combination, disclose periodically sending subscription-based content to a subscribing client node. Therefore, it follows that neither reference, either alone or in combination, can disclose receiving periodic updates nor a means for enabling downloads of subscription-based content in order to receive periodic updates.

Claim 9 also recites that "a fee is charged to providers of subscription-based content for serving the subscription-based content to the client nodes." Claim 27 includes similar features. As detailed above, none of the references, either alone or in combination, disclose charging a fee to providers of the subscription-based content for serving subscription-based content. As such, for this reason and the reason noted above, claims 9 and 27 are patentable over the cited references. Similarly, claims 10 and 12-14, which ultimately depend from claim 9, are patentable for at least the same reasons along with the novel features recited therein.

Claim 26 recites a method for generating revenue in a peer-to-peer file delivery network, comprising, among other features, "periodically sending the subscription-based content to each

respective subscribing client node.” As detailed above, none of the references, either alone or in combination, disclose periodically sending subscription-based content to a subscribing client node. Claim 26 also recites “charging a fee to providers of the subscription-based content for serving the subscription-based content.” As previously discussed, neither *Ricci* nor *Ferguson*, either alone or in combination, discloses charging a fee to providers of the subscription-based content for serving the subscription-based content.

Moreover, claim 26 recites enabling clients to become affiliate servers and paying affiliate server owners “a percentage of the fee charged for serving files.” The Applicants submit that none of the cited references, either alone or in combination, disclose paying affiliate server owners a percentage of a fee charged for serving a file. As correctly pointed out by the Patent Office, *Ricci* does not disclose this feature. (See Examiner’s Answer mailed October 30, 2007, page 6). Likewise, *Ferguson* does not disclose this feature. Nonetheless, the Patent Office supports the rejection by asserting that *Ferguson* discloses this feature at col. 15, ll. 7-11, col. 4, ll. 53-60, col. 14, ll. 30-31, and col. 9, ll. 2-9. (See Examiner’s Answer mailed October 30, 2007, pages 6 and 7). The Applicants respectfully disagree. At most, the cited portions of *Ferguson* disclose levying fees against third party content owners for executing a transaction and that a server may charge or pay a user or a content provider a fee. (See *Ferguson*, col. 4, ll. 58-60 and col. 9, ll. 2-5; see also figure 2, step 240). However, nowhere do the cited portions, nor anywhere else in *Ferguson* for that matter, disclose paying an affiliate server owner a percentage of a fee charged for serving files. For this reason and the reasons noted above, claim 26 is patentable over the cited references and the Applicants request that the rejection be withdrawn.

Claim 3, which depends from claim 1, recites enabling clients to become affiliate servers and paying affiliate server owners “a percentage of the fee charged for serving files.” Claim 11, which depends from claim 9, and claim 19, which depends from claim 17, include similar features. As detailed above, none of the cited references, either alone or in combination, disclose paying affiliate server owners a percentage of a fee charged for serving a file. For this reason and the reasons noted above with reference to claims 1, 9, and 17, claims 3, 11, and 19 are patentable over the cited references and the Applicants request that the rejection be withdrawn.

Claim 28 recites a system for generating revenue comprising, among other features, charging a fee “to providers of the subscription-based content for serving the subscription based content to the client nodes.” As detailed above, none of the references, either alone or in

combination, disclose charging a fee to providers of the subscription-based content for serving subscription-based content. As such, claim 28 is patentable over the cited references and the Applicants request that the rejection be withdrawn.

Claim 29 recites a server node comprising, among other features, charging a fee “to providers of the subscription-based content for providing the subscription-based content to the client node.” As mentioned above, neither *Ricci* nor *Ferguson*, either alone or in combination, discloses charging a fee to providers of the subscription-based content for serving subscription-based content. Claim 29 also recites that a client node may become an affiliate server such that an affiliate server owner “is paid a percentage of a fee charged for content delivery.” As mentioned above, none of the references, either alone or in combination, disclose paying affiliate server owners a percentage of a fee charged for serving a file. For this reason and the reasons noted above, claim 29 is patentable over the cited references and the Applicants request that the rejection be withdrawn.

In addition, claims 7, 8, 15, 16, and 23-25 were rejected under 35 U.S.C. §103(a) as being unpatentable over *Ricci* in view of *Ferguson* and further in view of the *Applicants’ Related Art*. The Applicants respectfully traverse the rejection. Regarding claims 7, 8, 15, 16, 23, and 24, as detailed above, claims 1, 9, and 17, the base claims from which claims 7, 8, 15, 16, 23, and 24 ultimately depend, are patentable over *Ricci* and *Ferguson*. Moreover, the *Applicants’ Related Art* does not overcome the previously noted shortcomings of both *Ricci* and *Ferguson*. Therefore, claims 7, 8, 15, 16, 23, and 24 are patentable over the cited references and the Applicants request that the rejection be withdrawn.

Claim 25 recites a method for providing subscription-based decentralized file downloads to client nodes in a peer-to-peer public network comprising, among other features, “periodically delivering the particular content files to respective clients nodes that subscribed to the particular content files.” As detailed above, neither *Ricci* nor *Ferguson*, either alone or in combination, discloses periodically delivering content files to clients that subscribed to particular client files. In addition, the *Applicants’ Related Art* does not disclose this feature. Accordingly, claim 25 is patentable over the cited references.

Claims 1-27 were also provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 16 and 17 of co-pending Application No. 08/814319 in view of *Ferguson*. The Applicants will address these rejections

when the Patent Office indicates that the claims in the present application include allowable subject matter. The Applicants reserve the right to file a terminal disclaimer, to distinguish the cited references, or to otherwise address the provisional obviousness-type double patenting rejections at a later time.

The present application is now in a condition for allowance and such action is respectfully requested. The Examiner is encouraged to contact the Applicants' representative regarding any remaining issues in an effort to expedite allowance and issuance of the present application.

Respectfully submitted,

WITHROW & TERRANOVA, P.L.L.C.

By:



Anthony J. Josephson
Registration No. 45,742
100 Regency Forest Drive, Suite 160
Cary, NC 27518
Telephone: (919) 238-2300

Date: December 27, 2007
Attorney Docket: 1104-032



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09/963,812	09/26/2001	Jorg Gregor Schleicher	1104-032	1207
27820 7590 10/30/2007 WITHROW & TERRANOVA, P.L.L.C. 100 REGENCY FOREST DRIVE SUITE 160 CARY, NC 27518			EXAMINER JABR, FADEY S	
			ART UNIT 3628	PAPER NUMBER
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.



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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/963,812
Filing Date: September 26, 2001
Appellant(s): SCHLEICHER ET AL.

MAILED

OCT 30 2007

GROUP 3600

John R. Witcher, III
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 06 December 2006 appealing from the Office action mailed 08 March 2006.

Art Unit: 3628

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

NEW GROUND(S) OF REJECTION

The appellant's statement of the grounds of rejection to be reviewed on appeal is substantially correct. The changes are as follows: Claims 28-29 correspond to claims 9 and 27 but without the means plus function language, as stated by the Appellant. The claims were inadvertently not entered. Therefore, Claims 28-29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ricci, Pub. No. US2002/0062290 A1 in view of Ferguson et al., U.S. Patent No. 5,819,092.

Art Unit: 3628

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

Ricci, United States Publication No. 2002/0062290 A1, 18 December 2001

5,819,092

Ferguson et al.

06 October 1998

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 1-6, 9-14, 17-22 and 26-29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ricci, Pub. No. US2002/0062290 A1 in view of Ferguson et al., U.S. Patent No. 5,819,092.

As per Claims 1, 9, 17 and 29, Ricci discloses a method for generating revenue in a peer-to-peer file delivery network, the network including at least one server node and multiple client nodes, the method comprising the steps of:

- (a) enabling peer-to-peer file sharing of content by,

Art Unit: 3628

- (i) initiating on one client node a download of a particular content item served from the server node or another client node (0030-0033), and
 - (ii) charging a fee based on a quantity of the content served (0022, 0053); and
- (b) enabling decentralized downloads of subscription-based content by
- (i) allowing the client nodes to subscribe to one or more of the subscription-based content (0057, 0061),
 - (ii) periodically sending the subscribed to subscription-based content to each the respective subscribing client nodes (0040).

Nonetheless, Ricci fails to disclose charging a fee to providers of the subscription-based content for serving the subscription-based content. However, Ferguson et al. teaches levying fees on content providers for transactions with the users (C. 4, lines 53-60). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci and charge a fee to subscription-based content providers for transmitting their content as taught by Ferguson et al. because charging users and content providers a fee would greatly increase profitability of the file sharing service.

As per Claims 2, 10, 18, Ricci further discloses a method of providing direct marketing by sending marketing content to the client nodes from the server node as well as from other client nodes (0065, lines 1-8). Ricci fails to disclose charging a fee to providers of the marketing content. However, Ferguson et al. teaches charging a fee to providers of the marketing content (C. 14, lines 30-31). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci to include charging marketing

Art Unit: 3628

content providers a fee as taught by Ferguson et al. because charging marketing content providers a fee would greatly increase profitability of the file sharing service.

As per Claims 3, 11, and 19, Ricci further discloses a method enabling client nodes to become affiliate servers that deliver content to other client nodes (0030). Ricci fails to disclose paying owners of the affiliate servers a percentage of the fee charged for serving the files. However, Ferguson et al. teaches paying the user of the service (C. 9, lines 2-9). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci to include paying users of the affiliate servers a portion of the fee charged for serving the files as taught by Ferguson et al. because paying owners of the affiliate servers would increase retention of the affiliate server owners.

As per Claims 4-6, 12-14, and 20-22, Ricci further discloses a method including the steps of charging a fee from a user of the initiating client node for the download of the fee-based content (0022, 0053). Ricci fails to disclose charging a fee from a provider of the free content for serving the free content. However, Ferguson et al. teaches charging content providers a fee (C. 4, lines 53-60). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci to include charging content providers a fee for serving the free content as taught by Ferguson et al. because charging content providers a fee would greatly increase profitability of the file sharing service.

Art Unit: 3628

As per Claims 26-28, Ricci discloses a system for generating revenue in a peer-to-peer file delivery network, the network including at least one server node and multiple client nodes, the method comprising the steps of:

- means for enabling peer-to-peer file sharing of content whereby one client node initiates a download of a particular content item served from the server node or another client node (0018), and
- wherein a fee is charged based on a quantity of the content served (0022, 0053);
- means for providing direct marketing to client nodes such that marketing content is send to the client nodes from the server node as well as from other client nodes (0065, lines 1-8),
- means for enabling client nodes to become affiliate servers that deliver content to other client nodes (0030),

Nonetheless, Ricci fails to disclose:

- means for enabling decentralized downloads of subscription-based content that the client nodes subscribe to in order to receive periodic updates, wherein a fee is charged to providers of the subscription-based content for serving the subscription-based content to the client nodes;
- owners of the affiliate servers are paid a percentage of the fee charged for serving the files.
- a fee is charged to providers of the marketing content.

However, Ferguson et al. teaches users of the system receive periodic updates; levying fees on content providers for transactions with the users; paying users of affiliate servers for serving the

Art Unit: 3628

files, and finally teaches charging marketing content providers a fee (C. 15, lines 7-11; C. 4, lines 53-60; C. 14, lines 30-31; C. 9, lines 2-9). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci and include providing periodic updates to users, levying fees on content providers, and to pay owners of affiliate servers for serving the files as taught by Ferguson et al. because charging content providers a fee would greatly increase profitability of the file sharing service. Also, paying owners of affiliate servers because paying owners of the affiliate servers would increase retention of the affiliate server owners.

3. Claims 7, 8, 15, 16, 23-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ricci, Pub. No. US2002/0062290 A1 in view of Ferguson et al., U.S. Patent No. 5,819,092 as applied to claims 1, 9, 17 and 29 above, and further in view of Applicants admission of the prior art.

As per Claims 7, 15, and 23, Ricci fails to disclose a method of charging a fee from the provider of the marketing content based on a cost per click. However, Applicant discloses that this feature is old and well known, see Specification, Page 11, lines 8-11. Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the Ricci and include charging a fee from the marketing content provider based on a cost per click as disclosed by Applicant. By Applicant's own admission, the feature of charging a fee from the provider of the marketing content based on a cost per click is admitted prior art.

Art Unit: 3628

As per Claims 8, 16, and 24, Ricci fails to disclose a method of charging a fee from the provider of the marketing content based on a cost per acquisition. However, Applicant discloses that this feature is old and well known, see Specification, Page 11, lines 8-11. Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the Ricci and include charging a fee from the marketing content provider based on a cost per acquisition as disclosed by Applicant. By Applicant's own admission, the feature of charging a fee from the provider of the marketing content based on a cost per acquisition is admitted prior art.

As per Claim 25, Ricci fails to disclose a method for providing subscription-based decentralized file downloads to client nodes in a peer-to-peer public network, each of the client nodes affiliated with a user account, the method comprising the steps of:

- (b) allowing the client nodes to subscribe to one or more of the content files (0057, 0061);
- (c) periodically delivering the particular content files to the respective clients nodes that subscribed to the content files (0040);
- (f) charging the user accounts of the client nodes that received fee-based subscription content files (0022, 0053).

Nonetheless, Ricci fails to disclose:

- (a) receiving content files from at least one content provider, the content including free subscription content files, fee-based subscription content files, and marketing content files;

Art Unit: 3628

- (d) charging the content provider a fee for delivering the content files to the client nodes over the network.

However, Ferguson et al. teaches receiving content files from content providers; and also charging content providers a fee for serving the content files to the users (C. 4, lines 53-60). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci and include receiving content files from content providers and charging content providers a fee for serving the files as taught by Ferguson et al. because charging a variety of content providers a fee would greatly increase profitability of the file sharing service. Ricci and Ferguson et al. nonetheless fail to disclose charging the content provider a fee for the marketing content files based on a number of users that access the marketing content files once downloaded. However, Applicant discloses that this feature is old and well known, see Specification, Page 11, lines 8-11. Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the Ricci and include charging content provider a fee based on the number of users to access the content as disclosed by Applicant. By Applicant's own admission, the feature of charging a fee from the provider of the marketing content based on a cost per acquisition is admitted prior art.

Double Patenting

4. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

Art Unit: 3628

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

5. Claims 1-27 are provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 16 and 17 of copending Application No. 09/814319 in view of Ferguson et al., U.S. Patent No. 5,819,092.

This is a provisional obviousness-type double patenting rejection.

Although the conflicting claims are not identical, they are not patentably distinct from each other. Claims 16 and 17 of Application No. 09/814319 recite:

A peer-to-peer file delivery network, comprising:

- at least one server node;
- multiple client nodes coupled to the server node over the network, each of the client nodes running a client application, wherein the client application works and operates in conjunction with the server node to enable secure and reliable peer-to-peer file sharing between two client nodes by,
enable secure and reliable peer-to-peer file sharing between two client nodes by,
- generating account information for a user of each client node, including a digital certificate, in response to a registration process, wherein the digital certificate includes a private key and a public key,
- in response to a file being selected for publication on a first client node by a first user,

Art Unit: 3628

- generating and associating a digital fingerprint with the file,
 - generating a bitstream ID for the file and including the bitstream ID in the fingerprint, and
 - using the user's private key to generate a digital signature from the file and including the digital signature in the fingerprint.
- adding an entry for the file to a search list of shared files on the server
- node and storing the fingerprint on the server,
 - in response to a second client node selecting the file from the search list on the server node, automatically transferring the file from the first client node directly to the second client node, and
 - authenticating the file by the second client node by generating a new bitstream ID, comparing the new bitstream ID to the bitstream ID in the fingerprint stored on the server, and using the user's public key to decrypt the digital signature to determine the authenticity and reliability of the file and publisher.

The network of claim 17 wherein the client application operates in conjunction with the server node to enable subscription-based decentralized file downloads to the client nodes by

- allowing the client nodes to subscribe with the server node to periodically receive copies of one of the files,
- when providing a current subscribing client node with the file, locating the closest client node containing the file, and
- transferring the file from the closest node directly to the current subscribing node,

Art Unit: 3628

thereby efficiently utilizing bandwidth.

Claims 16 and 17 of Application No. 09/814319 differs since it further recites additional claim limitations including generating account information for a user of each client node, including a digital certificate; authenticating the file by the second client node by generating a new bitstream ID; and allowing client nodes to subscribe with the server node to periodically receive copies of one of the files. However, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify claims 16 and 17 of Application No. 09/814319 by removing the limitations directed to generating account information, authenticating a file using a bitstream, and allowing client nodes to subscribe with the server node resulting generally in the claims of the present application since the claims of the present application and the claims recited in Application No. 09/814319 actually perform a similar function. It is well established that the omission of an element and its function is an obvious expedient if the remaining elements perform the same function as before.

Also, claims 16 and 17 of Application No. 09/814319 differ since they fail to recite a method for charging a fee to providers and users of the subscription-based content, either for serving the subscription-based content to the users or for receiving the content. Ferguson et al. teaches a method for levying fees against both users and content providers in an online system (C. 4, lines 53-67). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify claims 16 and 17 of Application No. 09/814319 and include the method of charging a fee to providers and users of the subscription-based content as taught by Ferguson et al. because charging users and content providers a fee would greatly increase profitability for the service.

(10) Response to ArgumentFirst Issue

Regarding the Appellant's argument that the Patent Office has failed to establish a *prima facie* case of obviousness, the Examiner asserts that the combination of references, i.e. Ricci in view of Ferguson et al., is proper. In this case, one of ordinary skill in the art would have been led to combine Ricci and Ferguson et al. in view of the fact that both references are directed to providing on-line content to users. Also, Ricci and Ferguson et al. are both related to charging users fees for downloading the content. For instance, Ricci discloses a method for distributing and licensing digital media across a network of peers (abstract). Ricci attempts to overcome the difficulties faced by content owners whose digital content was being downloaded in peer-to-peer networks without compensating the content owners by implementing a system that allows peer-to-peer file sharing while at the same time charging users for the content provided in order to compensate content owners. Ricci discloses users downloading a file will pay the appropriate royalty. Paying the appropriate royalty recoups the costs to the content provider for distributing the files, who must then compensate the content creator for use of their content. Furthermore, Ferguson et al. teaches a fee setting tool that allows the developer to develop a fee structure for an online service, e.g. downloading content (abstract). Ferguson et al. further teaches a third party content provider (i.e. content owner) can be paid when that third party content provider supplies valuable information desired by the users of the online services. The action of paying the content providers for supplying the information is in essence compensating the content providers for distributing the files. We have noted that evidence of a suggestion, teaching, or motivation to combine may flow from the prior art references themselves, the knowledge of one

Art Unit: 3628

of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved. *In re Dembiczak*, 50 USPQ2d 1614. Therefore, the “motivation-suggestion-teaching” test asks not merely what the references disclose, but whether a person of ordinary skill in the art, possessed with the understandings and knowledge reflected in the prior art, and motivated by the general problem facing the inventor, would have been led to make the combination recited in the claims. *In re Kahn* 78 USPQ2d 1329 (CAFC 2006). Thus, someone of ordinary skill in the art would be led to combine Ricci and Ferguson et al.

Second Issue

Examiner notes that the failure to address the Appellant’s claims 28 and 29, which were added by amendment in response to the initial non-final office action, was inadvertent. Despite the Examiner’s unintentional oversight of claims 28 and 29, Examiner notes that the Appellant discloses that claims 28 and 29 correspond to claims 9 and 27 but without the means plus function language. Therefore, if not for the unintentional oversight of the claims, Examiner would have mirrored the rejections of claims 28 and 29 similarly to the rejections of claims 9 and 27, hence the New Grounds of Rejection.

Third Issue

Appellant argues that neither Ricci nor Ferguson et al., alone or in combination, teach or suggest the claim limitation “charging a fee based on a quantity of content served.” The Appellant notes that independent claims 1, 9, 17, and 25-27, as well as claims 28 and 29, all recite “charging a fee based on a quantity of content served” or similar language. The Appellant

Art Unit: 3628

further recites “the quantity of content corresponds to the actual amount of data being served.”

As an example, the Applicant’s Specification provides that “a sliding-fee scale.....e.g. \$30 for 1 gigabyte....” Examiner notes that the Appellant’s specification actually recites “For example, a sliding-fee scale...” It is well established that *examples* in a specification do not further define a claim limitation, and therefore the Appellant’s definition for the claim limitation “charging a fee based on a quantity of content served” is not based on the example given in the specification.

Recent decisions have indicated that if an inventor is relying on a special meaning for terms appearing in the claims, then the special meaning must be clearly written in the specification. “Although an applicant may be his own lexicographer... nothing in the specification defines the phrase ‘quantity of content served’ differently from its ordinary meaning”, see *In Re Thrift*, 63 USPQ2d 2002, 2006 (Fed. Cir. 2002). “One purpose for examining the specification is to determine if the patentee has limited the scope of the claims.’ ...For example, an inventor may choose to be his own lexicographer if he defines the specific terms used to describe the invention ‘with reasonable clarity, deliberateness, and precision’, see *Teleflex, Inc. v. Ficosa N. Am. Corp.*, 63 USPQ2d 1374, 1381 (Fed. Cir. 2002) and *In re Paulsen*, 31 USPQ2d 1671, 1674-75 (Fed. Cir. 1994). Examiner submits that the “number of uses” disclosed by Ricci meets the definition for “quantity of content served” described by the Appellant.

Appellant argues, “the fee in Ricci is the copyright royalty payment”. Examiner asserts that a fee owed to a copyright owner wherein the user is charged based on the number of uses (e.g. downloads, duration, etc.) is equivalent to the Appellant’s “quantity of content.” Further, the Appellant argues that “the amount of the fee charged is not linked to the number of uses in

Art Unit: 3628

the database.” However, Examiner notes that a user purchasing a license to use the digital media would be charged based on the number of licenses that user purchases and therefore would be charged on the “quantity of content served.” The Examiner notes the broadest reasonable interpretation of “number of uses” would include “quantity of content served.” Further, Examiner notes during patent examination, the pending claims must be “given their broadest reasonable interpretation consistent with the specification,” moreover the Examiner notes claims of issued patents are interpreted in light of the specification, but during examination, prosecution history, prior art, and other claims, must be interpreted as broadly as their terms reasonably allow (MPEP 2111). Thus, the Examiner interprets Ricci to disclose quantity of content served.

Examiner notes that Appellant’s argument, “Different files will often be different sizes, and Ricci makes no differentiation between files of different size”, is inconsistent with the Appellant’s claim limitations. Appellant is attempting to read in a definition into the claim limitations which lacks support in the specification. Further, the claim limitations are broader than the definition that the Appellant is attempting to argue. Appellant’s specification fails to define the claim limitation in a manner that one of ordinary skill in the art would read “quantity of content served” differently than the Examiner has already done.

Furthermore, Examiner notes that Ferguson et al. further teaches charging a user based on the quantity of content served. Ferguson et al. teaches, “The ability to set fees to be paid by the user *for an amount of data accessed*, the time spent “logged on” to the online service, or the purchase of particular merchandise...” Ferguson et al. thus teaches that it is old and well known in the art to charge a user based a quantity (i.e. amount) of content (data) served (accessed).

Art Unit: 3628

Fourth Issue

Appellant argues with respect to claims 3, 11, 19, 26, 27 and 29 that Ferguson et al. fails to teach paying owners of the affiliate servers a percentage of the fee charged for serving the content. However, Examiner notes that the Ferguson reference was cited for teaching charging or paying users or content providers (C. 9, lines 2-9). Ricci was cited for disclosing, "transfers of the digital media can be made on the bandwidth of the peers rather than the originator, ie. enabling client nodes to become affiliate servers that deliver content to other client nodes (0030). Ferguson et al.'s teaching of paying the content provider or user for the digital media transaction in combination with Ricci's disclosure of peer-to-peer file sharing teaches the Appellant's invention. Paying users who allow other client nodes to download files from their system is a basic economical decision wherein a resource supplier is reimbursed for their resource.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

This examiner's answer contains a new ground of rejection set forth in section (9) above. Accordingly, appellant must within **TWO MONTHS** from the date of this answer exercise one of the following two options to avoid *sua sponte* dismissal of the appeal as to the claims subject to the new ground of rejection:

Art Unit: 3628

(1) **Reopen prosecution.** Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) **Maintain appeal.** Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection as set forth in 37 CFR 41.37(c)(1)(vii) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

Respectfully submitted,

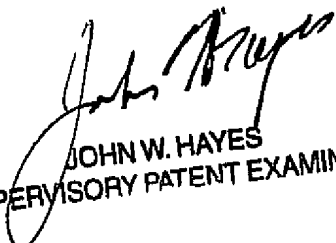
Fadey S. Jabr
Examiner
Art Unit 3628

Art Unit: 3628

A Technology Center Director or designee must personally approve the new ground(s) of rejection set forth in section (9) above by signing below:

Conferees:

John W. Hayes



JOHN W. HAYES
SUPERVISORY PATENT EXAMINER

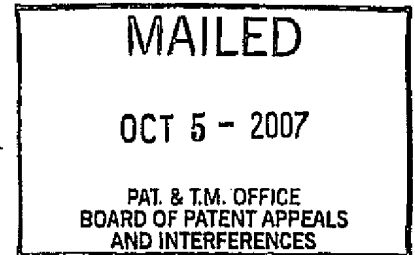
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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte JORG GREGOR SCHIEICHER
AND CHRISTOPHER ALLIN KITZE



Application No. 09/963,812

ORDER RETURNING UNDOCKETED APPEAL TO EXAMINER

This application was received electronically at the Board of Patent Appeals and Interferences on July 21, 2007. A review of the application has revealed that the application is not ready for docketing as an appeal. Accordingly, the application is herewith being returned to the examiner. The matter requiring attention prior to docketing is identified below.

EXAMINER'S ANSWER

STATUS OF CLAIMS

On February 27, 2007, an Examiner's Answer was entered to the record. On page 2, the examiner stated that "[t]he statement of the status of claims contained in the brief is correct." However, on January 6, 2006, the appellants filed an amendment

Application No. 09/963,812

adding claims 28 and 29. The Final Rejection mailed March 8, 2006 indicates that only claims 1-27 were rejected. Clarification of the status of claims 28 and 29 is required. The Examiner shall notify the appellants, in writing whether or not claims 28 and 29 will be added for purposes of the appeal.

Accordingly, it is

ORDERED that the application is returned to the Examiner:

- 1) for clarification of the status of claims 28 and 29; and
- 2) for such further action as may be appropriate.

BOARD OF PATENT APPEALS
AND INTERFERENCES

By: *Patrick J. Nolan*
PATRICK J. NOLAN
Deputy Chief Appeals Administrator
(571) 272-9797

PJN/dal

Application No. 09/963,812

WITHROW & TERRANOVA, P.L.L.C.
100 REGENCY FOREST DRIVE
SUITE 160
CARY, NC 27518

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Jorg G. Schleicher et al.

Examiner: Fadey S. Jabr

Serial No. 09/963,812

Art Unit: 3628

Filed: 09/26/2001

For: **METHOD AND SYSTEM FOR GENERATING REVENUE IN A PEER-TO-PEER
FILE DELIVERY NETWORK**

Mail Stop Appeal Brief – Patents

Commissioner for Patents

PO Box 1450

Alexandria, VA 22313-1450

Sir:

A **REPLY BRIEF** is filed herewith in response to the Examiner's Answer mailed February 27, 2007. If any fees are required in association with this Reply Brief, the Director is hereby authorized to charge them to Deposit Account 50-1732, and consider this a petition therefor.

REPLY BRIEF

A. Introduction

In addition to the reasons detailed in the Appeal Brief filed on December 6, 2006, the Appellants respectfully submit that claims 1-27 are patentable over *Ricci* in view of *Ferguson* and further in view of the Appellants' *Related Art* for the reasons set forth below. In particular, none of the references, either alone or in combination, discloses or suggests all the features recited in claims 1-27. As such, these claims are patentable.

B. Argument

Claims 1-6, 9-14, 17-22, 26, and 27 were rejected under 35 U.S.C. §103(a) as being unpatentable over *Ricci* in view of *Ferguson*. The Appellants traverse the rejection.

According to Chapter 2143.03 of the M.P.E.P., in order to "establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art." The Appellants submit that neither *Ricci* nor *Ferguson*, either alone or in combination, discloses or suggests all the features recited in claims 1-6, 9-14, 17-22, 26, and 27. More specifically, claim 1 recites a method for generating revenue in a peer-to-peer file delivery network comprising, among other features, "periodically sending the subscription-based content to each respective subscribing client node." Claims 17 and 26 include similar features. The Appellants submit that none of the references, either alone or in combination, discloses or suggests periodically sending subscription-based content to a subscribing client node. In maintaining the rejection, the Patent Office asserts that *Ricci* discloses this feature at paragraph [0040].¹ The Appellants respectfully disagree. At most, the cited portion of *Ricci* discloses that during the transfer of digital media, a network acts like a peer-to-peer network without requiring a central server.² However, no mention is made or suggested of periodically sending subscription-based content to a subscribing client node. Furthermore, the Appellants have reviewed the remainder of the reference and submit that nowhere does *Ricci* disclose or suggest this feature. Likewise, the Appellants have reviewed *Ferguson* and submit that *Ferguson* does not disclose or suggest periodically sending subscription-based content to a subscribing client node. Accordingly, for at least this reason, claims 1, 17, and 26 are patentable over the cited

¹ See Final Office Action mailed March 8, 2006, page 6.

² See *Ricci*, paragraph [0040].

references. Similarly, claims 2-6 and 18-22, which ultimately depend from claims 1 or 17, respectively, are patentable for at least the same reason along with the novel features recited therein.

Claim 9 recites a system for generating revenue in a peer-to-peer file delivery network comprising, among other features, “means for enabling decentralized downloads of subscription-based content that client nodes of the multiple client nodes subscribe to in order to receive periodic updates.” Claim 27 includes similar features. The Appellants respectfully submit that none of the references, either alone or in combination, discloses or suggests a means for enabling downloads of subscription-based content in order to receive periodic updates. As detailed above, none of the references, either alone or in combination, discloses or suggests periodically sending subscription based content to a subscribing client node. Therefore, it follows that neither reference, either alone or in combination, can disclose or suggest receiving periodic updates nor a means for enabling downloads of subscription-based content in order to receive periodic updates. As such, claims 9 and 27 are patentable over the cited references. Similarly, claims 10-14, which ultimately depend from claim 9, are patentable for at least the same reasons along with the novel features recited therein.

In addition, claims 7, 8, 15, 16, and 23-25 were rejected under 35 U.S.C. §103(a) as being unpatentable over *Ricci* in view of *Ferguson* in further view of the *Appellants’ Related Art*. The Appellants traverse the rejection.

Claim 25 recites a method for providing subscription-based decentralized file downloads to client nodes in a peer-to-peer public network comprising, among other features, “periodically delivering the particular content files to respective clients nodes that subscribed to the particular content files.” As detailed above, neither *Ricci* nor *Ferguson*, either alone or in combination, discloses or suggests periodically delivering content files to clients that subscribed to the particular client files. In addition, the *Appellants’ Related Art* does not disclose or suggest this feature. Accordingly, claim 25 is patentable over the cited references.

Regarding claims 7, 8, 15, 16, 23, and 24, as detailed above, claims 1, 9, and 17, the base claims from which claims 7, 8, 15, 16, 23, and 24 ultimately depend, are patentable over *Ricci* and *Ferguson*. Moreover, as mentioned above, the *Appellants’ Related Art* does not overcome the previously noted shortcomings of both *Ricci* and *Ferguson*. Therefore, claims 7, 8, 15, 16, and 23-25 are patentable over the cited references.

C. Conclusion

As detailed above, none of the cited references, either alone or in combination, discloses or suggests periodically sending or receiving subscription-based content to a subscribing client node. Therefore, claims 1-6, 9-14, 17-22, 26, and 27 are patentable over *Ricci* in view of *Ferguson* and claims 7, 8, 15, 16, and 23-25 are patentable over *Ricci* in view of *Ferguson* and further in view of the *Appellants' Related Art*.

Respectfully submitted,

WITHROW & TERRANOVA, P.L.L.C.

By: 

Benjamin S. Withrow
Registration No. 40,876
P.O. Box 1287
Cary, NC 27512
Telephone: (919) 654-4520

Date: April 24, 2007

Attorney Docket: 1104-032



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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/963,812	09/26/2001	Jorg Gregor Schleicher	1104-032	1207

27820 7590 02/27/2007
WITHROW & TERRANOVA, P.L.L.C.
100 REGENCY FOREST DRIVE
SUITE 160
CARY, NC 27518

EXAMINER

JABR, FADEY S

ART UNIT	PAPER NUMBER
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3628

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
2 MONTHS	02/27/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.



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MAILED

FEB 27 2007

GROUP 3600

**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/963,812
Filing Date: September 26, 2001
Appellant(s): SCHLEICHER ET AL.

John R. Witcher, III
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 06 December 2006 appealing from the Office action
mailed 08 March 2006.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

Ricci, United States Publication No. 2002/0062290 A1, 18 December 2001

Art Unit: 3628

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 1-6, 9-14, 17-22, 26, and 27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ricci, Pub. No. US2002/0062290 A1 in view of Ferguson et al., U.S. Patent No. 5,819,092.

As per Claims 1, 9 and 17, Ricci discloses a method for generating revenue in a peer-to-peer file delivery network, the network including at least one server node and multiple client nodes, the method comprising the steps of:

- (a) enabling peer-to-peer file sharing of content by,
 - (i) initiating on one client node a download of a particular content item served from the server node or another client node (0030-0033), and
 - (ii) charging a fee based on a quantity of the content served (0022, 0053); and
- (b) enabling decentralized downloads of subscription-based content by
 - (i) allowing the client nodes to subscribe to one or more of the subscription-based content (0057, 0061),

Art Unit: 3628

- (ii) periodically sending the subscribed to subscription-based content to each the respective subscribing client nodes (0040).

Nonetheless, Ricci fails to disclose charging a fee to providers of the subscription-based content for serving the subscription-based content. However, Ferguson et al. teaches levying fees on content providers for transactions with the users (C. 4, lines 53-60). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci and charge a fee to subscription-based content providers for transmitting their content as taught by Ferguson et al. because charging users and content providers a fee would greatly increase profitability of the file sharing service.

As per Claims 2, 10, 18, Ricci further discloses a method of providing direct marketing by sending marketing content to the client nodes from the server node as well as from other client nodes (0065, lines 1-8). Ricci fails to disclose charging a fee to providers of the marketing content. However, Ferguson et al. teaches charging a fee to providers of the marketing content (C. 14, lines 30-31). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci to include charging marketing content providers a fee as taught by Ferguson et al. because charging marketing content providers a fee would greatly increase profitability of the file sharing service.

As per Claims 3, 11, and 19, Ricci further discloses a method enabling client nodes to become affiliate servers that deliver content to other client nodes (0030). Ricci fails to disclose paying owners of the affiliate servers a percentage of the fee charged for serving the files.

Art Unit: 3628

However, Ferguson et al. teaches paying the user of the service (C. 9, lines 2-9). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci to include paying users of the affiliate servers a portion of the fee charged for serving the files as taught by Ferguson et al. because paying owners of the affiliate servers would increase retention of the affiliate server owners.

As per Claims 4-6, 12-14, and 20-22, Ricci further discloses a method including the steps of charging a fee from a user of the initiating client node for the download of the fee-based content (0022, 0053). Ricci fails to disclose charging a fee from a provider of the free content for serving the free content. However, Ferguson et al. teaches charging content providers a fee (C. 4, lines 53-60). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci to include charging content providers a fee for serving the free content as taught by Ferguson et al. because charging content providers a fee would greatly increase profitability of the file sharing service.

As per Claims 26, and 27, Ricci discloses a system for generating revenue in a peer-to-peer file delivery network, the network including at least one server node and multiple client nodes, the method comprising the steps of:

- means for enabling peer-to-peer file sharing of content whereby one client node initiates a download of a particular content item served from the server node or another client node (0018), and
- wherein a fee is charged based on a quantity of the content served (0022, 0053);

Art Unit: 3628

- means for providing direct marketing to client nodes such that marketing content is send to the client nodes from the server node as well as from other client nodes (0065, lines 1-8),
- means for enabling client nodes to become affiliate servers that deliver content to other client nodes (0030),

Nonetheless, Ricci fails to disclose:

- means for enabling decentralized downloads of subscription-based content that the client nodes subscribe to in order to receive periodic updates, wherein a fee is charged to providers of the subscription-based content for serving the subscription-based content to the client nodes;
- owners of the affiliate servers are paid a percentage of the fee charged for serving the files.
- a fee is charged to providers of the marketing content.

However, Ferguson et al. teaches users of the system receive periodic updates; levying fees on content providers for transactions with the users; paying users of affiliate servers for serving the files, and finally teaches charging marketing content providers a fee (C. 15, lines 7-11; C. 4, lines 53-60; C. 14, lines 30-31; C. 9, lines 2-9). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci and include providing periodic updates to users, levying fees on content providers, and to pay owners of affiliate servers for serving the files as taught by Ferguson et al. because charging content providers a fee would greatly increase profitability of the file sharing service. Also, paying

Art Unit: 3628

owners of affiliate servers because paying owners of the affiliate servers would increase retention of the affiliate server owners.

3. Claims 7, 8, 15, 16, 23-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ricci, Pub. No. US2002/0062290 A1 in view of Ferguson et al., U.S. Patent No. 5,819,092 as applied to claims 1, 9, and 17 above, and further in view of Applicants admission of the prior art.

As per Claims 7, 15, and 23, Ricci fails to disclose a method of charging a fee from the provider of the marketing content based on a cost per click. However, Applicant discloses that this feature is old and well known, see Specification, Page 11, lines 8-11. Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the Ricci and include charging a fee from the marketing content provider based on a cost per click as disclosed by Applicant. By Applicant's own admission, the feature of charging a fee from the provider of the marketing content based on a cost per click is admitted prior art.

As per Claims 8, 16, and 24, Ricci fails to disclose a method of charging a fee from the provider of the marketing content based on a cost per acquisition. However, Applicant discloses that this feature is old and well known, see Specification, Page 11, lines 8-11. Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the Ricci and include charging a fee from the marketing content provider based on a cost per acquisition as disclosed by Applicant. By Applicant's own admission, the feature of

Art Unit: 3628

charging a fee from the provider of the marketing content based on a cost per acquisition is admitted prior art.

As per **Claim 25**, Ricci fails to disclose a method for providing subscription-based decentralized file downloads to client nodes in a peer-to-peer public network, each of the client nodes affiliated with a user account, the method comprising the steps of:

- (b) allowing the client nodes to subscribe to one or more of the content files (0057, 0061);
- (c) periodically delivering the particular content files to the respective clients nodes that subscribed to the content files (0040);
- (f) charging the user accounts of the client nodes that received fee-based subscription content files (0022, 0053).

Nonetheless, Ricci fails to disclose:

- (a) receiving content files from at least one content provider, the content including free subscription content files, fee-based subscription content files, and marketing content files;
- (d) charging the content provider a fee for delivering the content files to the client nodes over the network.

However, Ferguson et al. teaches receiving content files from content providers; and also charging content providers a fee for serving the content files to the users (C. 4, lines 53-60).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci and include receiving content files from content

Art Unit: 3628

providers and charging content providers a fee for serving the files as taught by Ferguson et al. because charging a variety of content providers a fee would greatly increase profitability of the file sharing service. Ricci and Ferguson et al. nonetheless fail to disclose charging the content provider a fee for the marketing content files based on a number of users that access the marketing content files once downloaded. However, Applicant discloses that this feature is old and well known, see Specification, Page 11, lines 8-11. Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the Ricci and include charging content provider a fee based on the number of users to access the content as disclosed by Applicant. By Applicant's own admission, the feature of charging a fee from the provider of the marketing content based on a cost per acquisition is admitted prior art.

Double Patenting

4. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

Art Unit: 3628

5. Claims 1-27 are provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 16 and 17 of copending Application No. 09/814319 in view of Ferguson et al., U.S. Patent No. 5,819,092.

This is a provisional obviousness-type double patenting rejection.

Although the conflicting claims are not identical, they are not patentably distinct from each other. Claims 16 and 17 of Application No. 09/814319 recite:

A peer-to-peer file delivery network, comprising:

- at least one server node;
- multiple client nodes coupled to the server node over the network, each of the client nodes running a client application, wherein the client application works and operates in conjunction with the server node to enable secure and reliable peer-to-peer file sharing between two client nodes by,
 - enable secure and reliable peer-to-peer file sharing between two client nodes by,
- generating account information for a user of each client node, including a digital certificate, in response to a registration process, wherein the digital certificate includes a private key and a public key,
- in response to a file being selected for publication on a first client node by a first user,
 - generating and associating a digital fingerprint with the file,
 - generating a bitstream ID for the file and including the bitstream ID in the fingerprint, and
 - using the user's private key to generate a digital signature from the

file and including the digital signature in the fingerprint.

adding an entry for the file to a search list of shared files on the server

- node and storing the fingerprint on the server,
 - in response to a second client node selecting the file from the search list on the server node, automatically transferring the file from the first client node directly to the second client node, and
- authenticating the file by the second client node by generating a new bitstream ID, comparing the new bitstream ID to the bitstream ID in the fingerprint stored on the server, and using the user's public key to decrypt the digital signature to determine the authenticity and reliability of the file and publisher.

The network of claim 17 wherein the client application operates in conjunction with the server node to enable subscription-based decentralized file downloads to the client nodes by

- allowing the client nodes to subscribe with the server node to periodically receive copies of one of the files,
- when providing a current subscribing client node with the file, locating the closest client node containing the file, and
- transferring the file from the closest node directly to the current subscribing node, thereby efficiently utilizing bandwidth.

Claims 16 and 17 of Application No. 09/814319 differs since it further recites additional claim limitations including generating account information for a user of each client node, including a digital certificate; authenticating the file by the second client node by generating a new bitstream

Art Unit: 3628

ID; and allowing client nodes to subscribe with the server node to periodically receive copies of one of the files. However, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify claims 16 and 17 of Application No. 09/814319 by removing the limitations directed to generating account information, authenticating a file using a bitstream, and allowing client nodes to subscribe with the server node resulting generally in the claims of the present application since the claims of the present application and the claims recited in Application No. 09/814319 actually perform a similar function. It is well established that the omission of an element and its function is an obvious expedient if the remaining elements perform the same function as before.

Also, claims 16 and 17 of Application No. 09/814319 differ since they fail to recite a method for charging a fee to providers and users of the subscription-based content, either for serving the subscription-based content to the users or for receiving the content. Ferguson et al. teaches a method for levying fees against both users and content providers in an online system (C. 4, lines 53-67). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify claims 16 and 17 of Application No. 09/814319 and include the method of charging a fee to providers and users of the subscription-based content as taught by Ferguson et al. because charging users and content providers a fee would greatly increase profitability for the service.

Art Unit: 3628

(10) Response to Argument**First Issue**

Regarding the Appellant's argument that the Patent Office has failed to establish a *prima facie* case of obviousness, the Examiner asserts that the combination of references, i.e. Ricci in view of Ferguson et al., is proper. In this case, one of ordinary skill in the art would have been led to combine Ricci and Ferguson et al. in view of the fact that both references are directed to providing on-line content to users. Also, Ricci and Ferguson et al. are both related to charging users fees for downloading the content. For instance, Ricci discloses a method for distributing and licensing digital media across a network of peers (abstract). Ricci attempts to overcome the difficulties faced by content owners whose digital content was being downloaded in peer-to-peer networks without compensating the content owners by implementing a system that allows peer-to-peer file sharing while at the same time charging users for the content provided in order to compensate content owners. Ricci discloses users downloading a file will pay the appropriate royalty. Paying the appropriate royalty recoups the costs to the content provider for distributing the files, who must then compensate the content creator for use of their content. Furthermore, Ferguson et al. teaches a fee setting tool that allows the developer to develop a fee structure for an online service, e.g. downloading content (abstract). Ferguson et al. further teaches a third party content provider (i.e. content owner) can be paid when that third party content provider supplies valuable information desired by the users of the online services. The action of paying the content providers for supplying the information is in essence compensating the content providers for distributing the files. We have noted that evidence of a suggestion, teaching, or motivation to combine may flow from the prior art references themselves, the knowledge of one

Art Unit: 3628

of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved. *In re Dembiczak*, 50 USPQ2d 1614. Therefore, the “motivation-suggestion-teaching” test asks not merely what the references disclose, but whether a person of ordinary skill in the art, possessed with the understandings and knowledge reflected in the prior art, and motivated by the general problem facing the inventor, would have been led to make the combination recited in the claims. *In re Kahn* 78 USPQ2d 1329 (CAFC 2006). Thus, someone of ordinary skill in the art would be led to combine Ricci and Ferguson et al.

Second Issue

Examiner notes that the failure to address the Appellant’s claims 28 and 29, which were added by amendment in response to the initial non-final office action, was inadvertent. Despite the Examiner’s unintentional oversight of claims 28 and 29, Examiner notes that the Appellant discloses that claims 28 and 29 correspond to claims 9 and 27 but without the means plus function language. Therefore, if not for the unintentional oversight of the claims, Examiner would have mirrored the rejections of claims 28 and 29 similarly to the rejections of claims 9 and 27.

Third Issue

Appellant argues that neither Ricci nor Ferguson et al., alone or in combination, teach or suggest the claim limitation “charging a fee based on a quantity of content served.” The Appellant notes that independent claims 1, 9, 17, and 25-27, as well as claims 28 and 29, all recite “charging a fee based on a quantity of content served” or similar language. The Appellant

Art Unit: 3628

further recites “the quantity of content corresponds to the actual amount of data being served.”

As an example, the Applicant's Specification provides that “a sliding-fee scale.....,e.g. \$30 for 1 gigabyte....” Examiner notes that the Appellant's specification actually recites “For example, a sliding-fee scale...” It is well established that *examples* in a specification do not further define a claim limitation, and therefore the Appellant's definition for the claim limitation “charging a fee based on a quantity of content served” is not based on the example given in the specification.

Recent decisions have indicated that if an inventor is relying on a special meaning for terms appearing in the claims, then the special meaning must be clearly written in the specification. “Although an applicant may be his own lexicographer... nothing in the specification defines the phrase ‘quantity of content served’ differently from its ordinary meaning”, see *In Re Thrift*, 63 USPQ2d 2002, 2006 (Fed. Cir. 2002). “One purpose for examining the specification is to determine if the patentee has limited the scope of the claims.’ ...For example, an inventor may choose to be his own lexicographer if he defines the specific terms used to describe the invention ‘with reasonable clarity, deliberateness, and precision’, see *Teleflex, Inc. v. Ficosa N. Am. Corp.*, 63 USPQ2d 1374, 1381 (Fed. Cir. 2002) and *In re Paulsen*, 31 USPQ2d 1671, 1674-75 (Fed. Cir. 1994). Examiner submits that the “number of uses” disclosed by Ricci meets the definition for “quantity of content served” described by the Appellant.

Appellant argues, “the fee in Ricci is the copyright royalty payment”. Examiner asserts that a fee owed to a copyright owner wherein the user is charged based on the number of uses (e.g. downloads, duration, etc.) is equivalent to the Appellant's “quantity of content.” Further, the Appellant argues that “the amount of the fee charged is not linked to the number of uses in

Art Unit: 3628

the database.” However, Examiner notes that a user purchasing a license to use the digital media would be charged based on the number of licenses that user purchases and therefore would be charged on the “quantity of content served.” The Examiner notes the broadest reasonable interpretation of “number of uses” would include “quantity of content served.” Further, Examiner notes during patent examination, the pending claims must be “given their broadest reasonable interpretation consistent with the specification,” moreover the Examiner notes claims of issued patents are interpreted in light of the specification, but during examination, prosecution history, prior art, and other claims, must be interpreted as broadly as their terms reasonably allow (MPEP 2111). Thus, the Examiner interprets Ricci to disclose quantity of content served.

Examiner notes that Appellant’s argument, “Different files will often be different sizes, and Ricci makes no differentiation between files of different size”, is inconsistent with the Appellant’s claim limitations. Appellant is attempting to read in a definition into the claim limitations which lacks support in the specification. Further, the claim limitations are broader than the definition that the Appellant is attempting to argue. Appellant’s specification fails to define the claim limitation in a manner that one of ordinary skill in the art would read “quantity of content served” differently than the Examiner has already done.

Furthermore, Examiner notes that Ferguson et al. further teaches charging a user based on the quantity of content served. Ferguson et al. teaches, “The ability to set fees to be paid by the user *for an amount of data accessed*, the time spent “logged on” to the online service, or the purchase of particular merchandise...” Ferguson et al. thus teaches that it is old and well known in the art to charge a user based a quantity (i.e. amount) of content (data) served (accessed).

Art Unit: 3628

Fourth Issue

Appellant argues with respect to claims 3, 11, 19, 26, 27 and 29 that Ferguson et al. fails to teach paying owners of the affiliate servers a percentage of the fee charged for serving the content. However, Examiner notes that the Ferguson reference was cited for teaching charging or paying users or content providers (C. 9, lines 2-9). Ricci was cited for disclosing, "transfers of the digital media can be made on the bandwidth of the peers rather than the originator, ie. enabling client nodes to become affiliate servers that deliver content to other client nodes (0030). Ferguson et al.'s teaching of paying the content provider or user for the digital media transaction in combination with Ricci's disclosure of peer-to-peer file sharing teaches the Appellant's invention. Paying users who allow other client nodes to download files from their system is a basic economical decision wherein a resource supplier is reimbursed for their resource.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

Art Unit: 3628

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

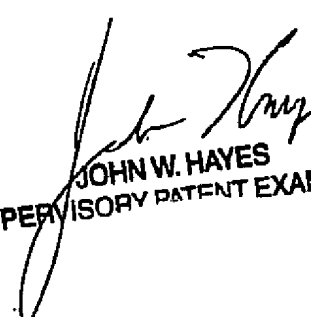
Fadey S. Jabr
Examiner
Art Unit 3628

Conferees:

John W. Hayes



Vincent Millin



JOHN W. HAYES
SUPERVISORY PATENT EXAMINER

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Jorg G. Schleicher
Serial No. 09/963,812
Filed: 09/26/2001

Examiner: Fadey S. Jabr
Art Unit: 3639

For: **METHOD AND SYSTEM FOR GENERATING REVENUE IN A PEER-TO-PEER
FILE DELIVERY NETWORK**

Mail Stop Appeal Brief – Patents
Commissioner for Patents
PO Box 1450
Alexandria, VA 22313-1450

Sir:

An **APPEAL BRIEF** is filed herewith. Appellant also encloses a payment in the amount of \$1520.00 to cover the fee associated with this appeal brief as required by 37 C.F.R. § 1.17(c) and the fee associated with a three-month extension of time. If any additional fees are required in association with this appeal brief, the Director is hereby authorized to charge them to Deposit Account 50-1732, and consider this a petition therefor.

APPEAL BRIEF

(1) REAL PARTY IN INTEREST

The real party in interest is the assignee of record, i.e., Qurio Holdings, Inc. of 1130 Situs Court, Suite 216, Raleigh, NC 27606.

(2) RELATED APPEALS AND INTERFERENCES

There are no related appeals or interferences to the best of Appellant's knowledge.

(3) STATUS OF CLAIMS

Claims 1-27 were rejected with the rejection made final on March 8, 2006.

Claims 28 and 29 were added by amendment in response to the initial non-final office action (see Appellant's Office Action Response transmitted January 6, 2006), but were not addressed in the Final Office Action mailed March 8, 2006 or in the Advisory Action mailed June 6, 2006.

Claims 1-27 are pending and are the subject of this appeal. However, Appellant respectfully submits that claims 28 and 29, which were added by amendment in Appellant's

Office Action Response transmitted January 6, 2006, should also be pending, given that claims 28 and 29 were added prior to a final Office Action.

(4) STATUS OF AMENDMENTS

The Advisory Action mailed June 6, 2006 indicates that the only claims 1-27 were rejected. Claims 28 and 29, which were added in Appellant's Office Action Response transmitted January 6, 2006, have apparently not been entered. As mentioned above, claims 28 and 29 were added by amendment in Appellant's Office Action Response transmitted January 6, 2006. Claims 28 and 29 correspond to claims 9 and 27 but without the means plus function language. Appellant respectfully requests that claims 28 and 29 be added for purposes of the appeal since they were added prior to the final office action and are similar to claims already in the appeal.

(5) SUMMARY OF CLAIMED SUBJECT MATTER

The present invention provides a method and system for generating revenue in a peer-to-peer file delivery network. The method and system include enabling peer-to-peer file sharing of content by initiating, on one client node, a download of a particular content item served from the server node or another client node, and then charging a fee based on a quantity of the content served (Specification, p. 4, lines 19-23). The method and system further include enabling decentralized downloads of subscription-based content. The decentralized downloads are provided by allowing the client nodes to subscribe to one or more of the subscription-based content, periodically sending the subscribed to subscription-based content to each the respective subscribing client nodes, and then charging a fee to providers of the subscription-based content for serving the subscription-based content (Specification, p. 5, lines 1-6).

Another aspect of the present invention includes providing direct marketing wherein users on the network are targeted with direct marketing material and providers of the marketing content are charged for the service (Specification, p. 5, lines 8-10). A further aspect of the present invention includes enabling client nodes to become affiliate servers nodes that deliver content to other client nodes, thus taking advantage of idle bandwidth (Specification, p 5, lines 10-13). As an incentive, the owners of the affiliate servers may be paid a percentage of the fee charged for serving the files to the other client nodes (Specification, p 5, lines 13-14).

In particular, claim 1 recites a method for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), the peer-to-peer file delivery network including at least one server node (such as server node 12, Figure 1A; see also Figure 1B) and multiple client nodes (such as client nodes 14, Figure 1A), the method comprising the steps of:

(a) enabling peer-to-peer file sharing of content (Specification, p. 9, lines 1-2; see also Figure 2, step 42) by,

(i) initiating on one client node a download of a particular content item served from the server node or another client node (Specification, p. 4, lines 20-22, p. 9, lines 3-7), and

(ii) charging a fee based on a quantity of content served related to the particular content item (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152); and

(b) enabling decentralized downloads of subscription-based content (Specification, p. 5, line 1, p. 9, lines 14-15, see also Figure 2, step 46) by

(i) allowing client nodes of the multiple client nodes to subscribe to the subscription-based content (Specification, p. 5, lines 2-3, p. 9, lines 16-17; see also Figure 3A, steps 100 and 102)

i) periodically sending the subscription-based content to each respective subscribing client node (Specification, p. 5, lines 3-5, p. 9, lines 17-19; see also Figure 3D, steps 140 and 148), and

(iii) charging a fee to providers of the subscription-based content for serving the subscription-based content (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48).

Claim 9 recites a system for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), the peer-to-peer file delivery network including at least one server node (such as server node 12, Figure 1A; see also Figure 1B) and multiple client nodes (such as client nodes 14, Figure 1A), the system comprising:

means for enabling peer-to-peer file sharing of content (Specification, p. 9, lines 1-2; see also Figure 2, step 42) whereby one client node initiates a download of a particular content item served from the server node or another client node (Specification, p. 4, lines 20-22, p. 9, lines 3-7), and wherein a fee is charged based on a quantity of content served related to the particular

content item (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152); and

means for enabling decentralized downloads of subscription-based content that client nodes of the multiple client nodes subscribe to in order to receive periodic updates (Specification, p. 5, lines 1-5, p. 9, lines 14-19, see also Figure 2, step 46, Figure 3D, steps 140 and 148), wherein a fee is charged to providers of subscription-based content for serving the subscription-based content to the client nodes (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48).

The means for enabling peer-to-peer file sharing of content is a client node (such as client node 14 with a client application 22, see Specification, p. 8, lines 1-5; Figure 1A) and at least one server node (such as server node 12) with at least one database (Specification, p. 11, line 21 through p. 12, line 8; see also Figure 1B). The means for enabling decentralized downloads of subscription-based content is the server node.

Claim 17 recites a computer-readable medium containing program instructions for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), the peer-to-peer file delivery network including at least one server node (such as server node 12, Figure 1A; see also Figure 1B) and multiple client nodes (such as client nodes 14, Figure 1A), the program instructions for:

(a) enabling peer-to-peer file sharing of content (Specification, p. 9, lines 1-2; see also Figure 2, step 42) by,

(i) initiating on one client node a download of a particular content item served from the server node or another client node (Specification, p. 4, lines 20-22, p. 9, lines 3-7), and

(ii) charging a fee based on a quantity of content served related to the particular content item (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152); and

(b) enabling decentralized downloads of subscription-based content by

(i) allowing client nodes of the multiple client nodes to subscribe to subscription-based content (Specification, p. 5, line 1, p. 9, lines 14-15, see also Figure 2, step 46),

(ii) periodically sending the subscription-based content to each respective subscribing client node (Specification, p. 5, lines 3-5, p. 9, lines 17-19; see also Figure 3D, steps 140 and 148), and

(iii) charging a fee to providers of the subscription-based content for serving the subscription-based content (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48).

Claim 25 recites a method for providing subscription-based decentralized file downloads to client nodes (such as client nodes 14, Figure 1A) in a peer-to-peer public network (such as network 10, Figure 1A), each of the client nodes affiliated with a user account, the method comprising the steps of:

(a) receiving content files (such as files 20a and 20b, Figure 1B) from at least one content provider, the content including free subscription content files, fee-based subscription content files, and marketing content files (Specification, p. 19, lines 1-12);

(b) allowing the client nodes to subscribe to particular content files (Specification, p. 19, lines 1-4; Figure 3D, step 140);

(c) periodically delivering the particular content files to respective clients nodes that subscribed to the particular content files (Specification, p. 5, lines 5-6, p. 9, lines 17-19, p. 20, lines 1-6, Figure 3D, step 148);

(d) charging the at least one content provider a fee for delivering the content files to the client nodes over the peer-to-peer public network (Specification, p. 20, lines 17-18; Figure 3D, step 152);

(e) charging the at least one content provider a fee for the marketing content files based on a number of users that access the marketing content files once downloaded (Specification, p. 20, lines 18-20, Figure 3D, step 154); and

(f) charging user accounts of the client nodes that received fee-based subscription content files (Specification, p. 20, lines 20-21; Figure 3D, step 156).

Claim 26 recites a method for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), the network including at least one server node (such as server node 12, Figure 1A; see also Figure 1B) and multiple client nodes (such as client nodes 14, Figure 1A), the method comprising the steps of:

(a) enabling peer-to-peer file sharing of content (Specification, p. 9, lines 1-2; see also Figure 2, step 42) by,

(i) initiating on one client node a download of a particular content item served from the at least one server node or another client node (Specification, p. 4, lines 20-22, p. 9, lines 3-7), and

(ii) charging a fee based on a quantity of content served related to the particular content item (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152);

(b) enabling decentralized downloads of subscription-based content by

(i) allowing client nodes of the multiple client nodes to subscribe to the subscription-based content (Specification, p. 5, line 1, p. 9, lines 14-15, see also Figure 2, step 46),

(ii) periodically sending the subscription-based content to each respective subscribing client node (Specification, p. 5, lines 3-5, p. 9, lines 17-19; see also Figure 3D, steps 140 and 148), and

(iii) charging a fee to providers of the subscription-based content for serving the subscription-based content (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48);

(c) providing direct marketing (Figure 2, step 50) by

(i) sending marketing content to the client nodes from the at least one server node as well as from other client nodes (Specification, p. 10, lines 12-15), and

(ii) charging a fee to providers of the marketing content (Specification, p. 10, lines 18-19; Figure 2, step 52); and

(d) enabling client nodes to become affiliate servers that deliver content to other client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files (Specification, p. 5, lines 10-14; Figure 2, steps 54 and 56).

Claim 27 recites a system for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), the peer-to-peer file delivery network including at least one server node (such as server node 12, Figure 1A; see also Figure 1B) and multiple client nodes (such as client nodes 14, Figure 1A), the system comprising:

means for enabling peer-to-peer file sharing of content (Specification, p. 9, lines 1-2; see also Figure 2, step 42) whereby one client node initiates a download of a particular content item served from the at least one server node or another client node (Specification, p. 4, lines 20-22, p. 9, lines 3-7), and wherein a fee is charged based on a quantity of content served related to the particular content item (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152);

means for enabling decentralized downloads of subscription-based content that client nodes of the multiple client nodes subscribe to in order to receive periodic updates (Specification, p. 5, line 1-5, p. 9, lines 14-19, see also Figure 2, step 46, Figure 3D, steps 140 and 148), wherein a fee is charged to providers of the subscription-based content for serving the subscription-based content to the client nodes (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48);

means for providing direct marketing to the client nodes such that marketing content is sent to the client nodes from the at least one server node as well as from other client nodes (Specification, p. 10, lines 12-15), and a fee is charged to providers of the marketing content (Specification, p. 10, lines 18-19); and

means for enabling client nodes to become affiliate servers that deliver content to other client nodes, such that owners of the affiliate servers are paid a percentage of the fee charged for serving files (Specification, p. 5, lines 10-14).

The means for enabling peer-to-peer file sharing of content is a client node (such as client node 14 with a client application 22, see Specification, p. 8, lines 1-5; Figure 1A) and at least one server node (such as server node 12) with at least one database (Specification, p. 11, line 21 through p. 12, line 8; see also Figure 1B). The means for enabling decentralized downloads of subscription-based content is the server node. The means for providing direct marketing is also the server node (Specification, p. 10, lines 12-19; Figure 1B). The means for enabling client nodes to become affiliate servers is the client application 22 on the client node 14 (specification, p. 5, lines 10-14, p. 8, lines 1-5).

Claim 28 recites a system for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), comprising:

a server node (such as server node 12, Figure 1A; see also Figure 1B) adapted to:

allow a download by a client node (such as any of the client nodes 14, Figure 1A) (Specification, p. 4, lines 20-22, p. 9, lines 3-7), wherein a fee is charged based on a quantity of content served during the download (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152); and

enable downloads of subscription-based content by client nodes (Specification, p. 5, line 1-5, p. 9, lines 14-19, see also Figure 2, step 46, Figure 3D, steps 140 and 148), wherein a second fee is charged to providers of the subscription-based content for serving the subscription based content to the client nodes (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48).

Claim 29 recites a server node (such as server node 12, Figure 1A; see also Figure 1B) comprising:

a network interface; and

a control system adapted to:

share content with a client node (such as any of the client nodes 14, Figure 1A) (Specification, p. 4, lines 20-22, p. 9, lines 3-7) and charge a fee based on a quantity of content shared with the client node (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152);

provide subscription-based content to which the client node may subscribe (Specification, p. 5, line 1-5, p. 9, lines 14-19, see also Figure 2, step 46, Figure 3D, steps 140 and 148), wherein a fee is charged to providers of the subscription-based content for providing the subscription-based content to the client node (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48); and

provide direct marketing to the client node such that marketing content is provided to the client node and a fee is charged to providers of the marketing content (Specification, p. 10, lines 12-19; Figure 2, step 52); and

wherein the client node may become an affiliate server that delivers content to other client nodes such that an owner of the affiliate server is paid a percentage of a fee charged for content delivery (Specification, p. 5, lines 10-14, Figure 2, steps 54 and 56).

(6) GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

A. Whether claims 1-6, 9-14, 17-22, 26, and 27 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. 2002/0062290 A1 to Ricci (hereinafter “Ricci”) in view of U.S. Patent No. 5,819,092 to Ferguson et al. (hereinafter “Ferguson”).

B. Whether claims 7, 8, 15, 16, and 23-25 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Ricci in view of Ferguson and further in view of Admitted Prior Art (hereinafter “APA”).

(7) ARGUMENT

A. Legal Standards for Establishing Obviousness

Section 103(a) of the Patent Act provides the statutory basis for an obviousness rejection and reads as follows:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Courts have interpreted 35 U.S.C. § 103(a) as a question of law based on underlying facts. As the Federal Circuit stated:

Obviousness is ultimately a determination of law based on underlying determinations of fact. These underlying factual determinations include: (1) the scope and content of the prior art; (2) the level of ordinary skill in the art; (3) the differences between the claimed invention and the prior art; and (4) the extent of any proffered objective indicia of nonobviousness.

Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH, 45 USPQ2d 1977, 1981 (Fed. Cir. 1998) (internal citations omitted).

Once the scope of the prior art is ascertained, the content of the prior art must be properly combined. Initially, the Patent Office must show that there is a suggestion to combine the references. *In re Dembiczak*, 175 F.3d 994 (Fed. Cir. 1999). Even if the Patent Office is able to articulate and support a suggestion to combine the references, it is impermissible to pick and choose elements from the prior art while using the application as a template. *In re Fine*, 837

F.3d 1071 (Fed. Cir. 1988). To reconstruct the invention by such selective extraction constitutes impermissible hindsight. *In re Gorman*, 933 F.2d 982 (Fed. Cir. 1991). After the combination has been made, for a *prima facie* case of obviousness, the combination must still teach or fairly suggest all of the claim elements. *In re Royka*, 490 F.2d 981 (C.C.P.A. 1974); MPEP § 2143.03.

Whether an element is implicitly or explicitly taught by a reference or combination of references is open to interpretation. While the Patent Office is entitled to give claim terms their broadest reasonable interpretation, this interpretation is limited by a number of factors. First, the interpretation must be consistent with the specification. *In re Hyatt*, 211 F.3d 1367, 1372 (Fed. Cir. 2000); MPEP § 2111. Second, the broadest reasonable interpretation of the claims must also be consistent with the interpretation that those skilled in the art would reach. *In re Cortright*, 165 F.3d 1353, 1359, (Fed. Cir. 1999); MPEP § 2111. Finally, the interpretation must be reasonable. *In re American Academy of Science Tech Center*, 367 F.3d 1359, 1369 (Fed. Cir. 2004); MPEP § 2111.01. This means that the words of the claim must be given their plain meaning unless Appellant has provided a clear definition in the specification. *In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989).

If a claim element is missing after the combination is made, then the combination does not render obvious the claimed invention, and the claims are allowable. As stated by the Federal Circuit, “[if] the PTO fails to meet this burden, then the Appellant is entitled to the patent.” *In re Glaug*, 283 F.3d 1335, 1338 (Fed. Cir. 2002).

B. Summary of the References

1. U.S. Patent Application Publication No. 2002/0062290 A1 to Ricci

Ricci is directed to a method for distributing and licensing digital media, and in particular, is concerned with using peer-to-peer networks without relinquishing control of the distribution from copyright holders (Ricci, paragraph 0020). In Ricci, digital media is licensed and shared across a network of peers (Ricci, Abstract). Advertisements related to the recipient’s interests, demographics, and downloaded media are displayed. By displaying the ads, the recipients are charged for licensing the digital media (Ricci, Abstract). Instead of displaying the ads, traditional royalties can be charged without charging subscription fees (Ricci, paragraph 0032). The royalty paid by the downloading user to the content owner is the typical copyright royalty owned to the copyright owner or licensor, and is not based on the quantity of the content

(Ricci, paragraphs 0022, 0027, and 0031). Ricci may also use a royalty database, which includes the costs of licensing the digital media, the limits of the license (i.e., duration and number of uses), and relates the royalties to a recipients database to track which recipients have licensed which digital media (Ricci, paragraph 0053).

2. U.S. Patent No. 5,819,092 to Ferguson

Ferguson is directed to a visual editing system for creating commercial online computer services (Ferguson, Abstract). The visual editing system features a fee setting tool that allows the developer of the services to develop a fee structure for an online service. The fee structure can handle both fees levied against users and third party content providers (Ferguson, Abstract). A user may be levied fees for logging onto an online service, performing searches, or downloading information (Ferguson, col. 4, lines 55-57). Third party content providers can be levied fees for submitting advertisements or for executing a transaction with a user (Ferguson, col. 4, lines 58-60).

3. AAPA

The Specification of the present application reads in part: “As is well known in the art, in cost per click, the advertiser is charged a fee based on how many times users click on a displayed ad, while in cost per acquisition, the advertiser is based on how many new customers are acquired through the ads.” (Specification, p. 8, lines 8-11).

C. Introduction

The present invention provides a method and system for generating revenue in a peer-to-peer file delivery network. The method and system include enabling peer-to-peer file sharing of content by initiating, on one client node, a download of a particular content item served from the server node or another client node, and then charging a fee based on a quantity of the content served (Specification, p. 4, lines 19-23). The independent claims 1, 9, 17, 25, and 26 all recite “charging a fee based on a quantity of content served. . .” or similar claim language. The “quantity of content” in the claim corresponds to the actual amount of data being served. As an example, the Applicant’s Specification provides that “a sliding-fee scale may be used to charge

users based on the number of gigabytes, e.g., \$30 for 1 gigabyte, \$50 for 2 gigabytes, \$90 for 5 gigabytes, and \$150 for 10 gigabytes . . .” (Specification, page 16, lines 9-12).

The Patent Office has not shown where all the elements of the claim are shown with sufficient particularity to sustain an obviousness rejection. In particular, the references cited by the Patent Office fail to teach or suggest “charging a fee based on a quantity of content served,” as claimed in the present invention. The Patent Office asserts that Ricci teaches this claim limitation. Appellant respectfully disagrees. Ricci discloses a method of licensing and distributing copyrighted digital media where a royalty is paid by the downloading user to the content owner. While Ricci indicates that the user downloading a file will pay the content owner, the fee is based on the appropriate royalty due the copyright owner, and is not based on the quantity of the content. Ricci also discloses a royalty database, which includes the costs of licensing the digital media and the limits of the license (i.e., duration, number of uses). The Patent Office incorrectly attempts to equate Ricci’s disclosure of the number of uses in the license as charging a fee based on the quantity of content served. Ricci provides a technique to collect royalties for use of copyrighted material, but does not charge a fee based on the quantity of content served. The reason Ricci is not concerned about the quantity of content served is that royalties for copyrighted works are not based on the quantity of content, but are instead based on use of the content. As such, Ricci monitors use of the copyrighted content and thus does not charge fees based on the quantity of content served.

Since Ricci does not charge fees based on the quantity of content served and the other cited reference Ferguson does not cure the deficiencies of Ricci, the Patent Office has not shown where each and every element of the claimed invention is shown in the prior art with sufficient particularity to sustain an obviousness rejection. As such, the claims are not obvious, and therefore Appellant requests that the Board reverse the Examiner and instruct the Examiner to allow the claims for these reasons.

D. Claims 1-6, 9-14, 17-22, 26, and 27 Are Non-Obvious Because the Combination of Ricci and Ferguson Fails to Teach or Suggest “Charging a Fee Based on a Quantity of Content Served,” as Required by the Claimed Invention

Claims 1-6, 9-14, 17-22, 26, and 27 stand rejected under 35 U.S.C. § 103 as being unpatentable over Ricci in view of Ferguson et al. (hereinafter “Ferguson”). For the Patent Office to combine prior art references to create an obviousness rejection, the Patent Office must

do two things. First, the Patent Office must state the motivation to combine the references, and second, the Patent Office must support its asserted motivation to combine the prior art references with a clear and particular showing of actual evidence demonstrating that the asserted motivation exists. *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999). After the combination has been made, for a *prima facie* case of obviousness, the combination must still teach or fairly suggest all of the claim elements. *In re Royka*, 490 F.2d 981 (C.C.P.A. 1974); MPEP § 2143.03. Appellant appeals the rejection of claims 1-6, 9-14, 17-22, 26, and 27 because the combination of Ricci and Ferguson fails to teach each and every element of the claimed invention.

Claim 1 recites a method for generating revenue in a peer-to-peer file delivery network, the peer-to-peer file delivery network including at least one server node and multiple client nodes, the method comprising the steps of:

- (a) enabling peer-to-peer file sharing of content by,
 - (i) initiating on one client node a download of a particular content item served from the server node or another client node, and
 - (ii) charging a fee based on a quantity of content served related to the particular content item; and
- (b) enabling decentralized downloads of subscription-based content by
 - (i) allowing client nodes of the multiple client nodes to subscribe to the subscription-based content,
 - (ii) periodically sending the subscription-based content to each respective subscribing client node, and
 - (iii) charging a fee to providers of the subscription-based content for serving the subscription-based content.

Thus, as part of claim 1, enabling peer-to-peer file sharing of content is accomplished in part by charging a fee based on a quantity of content served related to the particular content item. The independent claims 1, 9, 17, and 25-27 (as well as claims 28 and 29) all recite “charging a fee based on a quantity of content served. . .” or similar claim language. The “quantity of content” corresponds to the actual amount of data being served. As an example, the Applicant’s Specification provides that “a sliding-fee scale may be used to charge users based on the number of gigabytes, e.g., \$30 for 1 gigabyte, \$50 for 2 gigabytes, \$90 for 5 gigabytes, and \$150 for 10 gigabytes . . .” (Specification, page 16, lines 9-12). Although required by claims 1, 9, 17, and

25-29, neither Ricci nor Ferguson, alone or in combination, teach or suggest the claim limitation “charging a fee based on a quantity of content served.”

The Patent Office originally asserts that the element is taught by Ricci in paragraphs 0022 and 0053 (Final Office Action mailed March 8, 2006, p. 6). Appellant respectfully disagrees. Paragraph 0022 states in full: “In accordance with a further object of the invention, the method insures that even an anonymous user downloading a file will pay the owner the appropriate royalty.” While this passage indicates that the downloading user will pay the owner of the file, the fee is based on the appropriate royalty due the copyright owner. The fee is not based on the quantity of the content. Instead, the fee in Ricci is the copyright royalty payment owed to the copyright holder or licensor, and may be a traditional charge, or may be in the form of receiving advertisements (see paragraphs 0027 and 0031). Thus, paragraph 0022 of Ricci does not teach or suggest that the fee is based on the quantity of the content.

Likewise, paragraph 0053 of Ricci states in full: “The server also can include a royalty database. The royalty database includes the costs of licensing the digital media, the limits of the license (i.e., duration, number of uses) and relates the royalties to the recipients database to track which recipients have licensed which digital media.” Again, this passage describes royalties for copyrighted works, but these royalties are not a function of the quantity of the content served. The Patent Office asserts that Ricci states that the royalties (fees) are based on the number of uses and that the number of uses is the same as the quantity of content served (Final Office Action mailed March 8, 2006, p. 4). This assertion is unfounded.

First, paragraph 0053 does not indicate that the fee charged is based on the number of uses. There is no mention of a fee at all in paragraph 0053. Paragraph 0053 merely states that the royalty database includes the costs of licensing the digital media and the limits of the license. The license limits include the duration of the license and the number of uses. Paragraph 0053 merely discloses that a database has as one piece of data the number of uses to which the licensee is entitled; the amount of the fee charged is not linked to the number of uses in the database. Since paragraph 0053 of Ricci is silent as to the amount of the royalty fees, it cannot teach or suggest charging a fee based on the quantity of content served. Simply disclosing the number of uses in a license is not equivalent to “charging a fee based on a quantity of content served,” as required by the claimed invention. For this reason, the Patent Office’s assertion that Ricci’s mention of the number of uses teaches the claim limitation is incorrect.

Second, the claimed invention charges based on the quantity of the content served, not just how many times a file is served. Ricci does not teach or suggest anything about the quantity of the content served. As is clear from paragraphs 0022, 0027, and 0031, Ricci is focused on collecting the appropriate royalties for downloading files associated with copyrighted works. At best, Ricci provides a technique to collect royalties for each use of the copyrighted material, but Ricci fails to disclose a technique to measure the quantity of content served, and thus does not base the fee on the quantity of content served. The reason Ricci is not concerned about the quantity of content served is that royalties for copyrighted works are not based on the quantity of content, but are instead based on use of the content. As such, Ricci monitors use and is not concerned with the quantity of content served.

In contrast, Appellant's claimed invention contemplates charging users based on the quantity of the content served, i.e., the number of gigabytes. (Specification, page 16, lines 9-12). Different files will often be different sizes, and Ricci makes no differentiation between files of different size. However, use of two different sized files of similar content type would result in the same fees being charged in Ricci, whereas a user downloading two different sized files in the present invention would be charged two different amounts. Just because a file can be downloaded multiple times, does not indicate that quantity of content, or size, of the file is ever a factor. In short, charging based on the number of downloads is very different than charging based on the quantity of content served. At best, Ricci teaches only charging a royalty based on the number of downloads and fails to teach or suggest charging a fee based on the quantity of the content served.

In the Advisory Action, the Patent Office asserts that, taken in its broadest reasonable interpretation, "quantity" is equivalent to the number of uses. The Patent Office states "charging based on the number of uses is equivalent to charging based on the quantity of content served. In both cases an amount of content is delivered to a user, and in both cases the user is charged based on the amount of content that is delivered to the user." (Advisory Action mailed June 6, 2006, p. 2). Appellant respectfully disagrees.

First, the Patent Office's statement is incorrect on its face. In both Ricci and the present invention, an amount of content is delivered to as user. However, in Ricci, the user is not charged based on the amount of content, but rather on the number of uses of the copyrighted

material (See Ricci, paragraphs 0022, 0027, 0031, and 0053). Ricci is completely silent as to the amount of content served.

Second, Appellant respectfully submits that one of ordinary skill in the art would not consider “quantity of content” to equal “number of uses.” Although the Patent Office is entitled to give claim terms their broadest reasonable interpretation, this interpretation is limited by a number of factors. First, the interpretation must be consistent with the specification. *In re Hyatt*, 211 F.3d 1367, 1372 (Fed. Cir. 2000); MPEP § 2111. Second, the broadest reasonable interpretation of the claims must also be consistent with the interpretation that those skilled in the art would reach. *In re Cortright*, 165 F.3d 1353, 1359, (Fed. Cir. 1999); MPEP § 2111. Finally, the interpretation must be reasonable. *In re American Academy of Science Tech Center*, 367 F.3d 1359, 1369 (Fed. Cir. 2004); MPEP § 2111.01. This means that the words of the claim must be given their plain meaning unless Appellant has provided a clear definition in the specification. *In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989). Construing “quantity of content” to be equivalent to “number of uses” is inconsistent with the specification, which indicates that “a sliding-fee scale may be used to charge users based on the number of gigabytes, e.g., \$30 for 1 gigabyte, \$50 for 2 gigabytes, \$90 for 5 gigabytes, and \$150 for 10 gigabytes . . .” (Specification, page 16, lines 9-12). It is also inconsistent with the interpretation that those skilled in the art would reach, especially after reading the above passage in the Specification. Finally, equating “quantity of content” to “number of uses” is unreasonable because it is inconsistent with the plain meaning of the word “quantity”, which is a measurable amount. Thus, there is no reasonable interpretation that is consistent with the specification in which “quantity of content” would be equivalent to “number of uses.”

To further demonstrate that “quantity of content” is not equivalent to “number of uses,” consider the following example. In the traditional non-subscription royalty based system of Ricci, a user is charged a fee for each download of copyrighted material. This could be more costly if there were a large number of downloads, even if the files were relatively small. In the present invention, a large number of downloads of a relatively small file could be cheaper because of the quantity of content served. For example, if a user wanted to download ten digital files that were one gigabyte each, and the copyright royalty on each was \$25, the user in Ricci’s system would pay \$250 (\$25 per file for 10 libraries). In the present invention, assuming a sliding fee scale of \$30 for 1 gigabyte, \$50 for 2 gigabytes, \$90 for 5 gigabytes, and \$150 for 10

gigabytes, the user would be charged \$150 for the 10 gigabytes that were downloaded (10 files of 1 gigabyte each and the cost of 10 gigabytes is \$150). Thus, as seen in this example, the users would be charged different amounts for downloading the same content. Therefore, it is easy to see that being charged on the number of uses is not equivalent to being charged on the quantity of the content.

Thus, Ricci fails to teach or suggest the claim element of “charging a fee based on a quantity of content served,” which is required by claims 1, 9, 17, and 26-29. The Patent Office points to nothing in Ferguson which cures the deficiencies of Ricci. Since the references individually do not teach or suggest the claim element, the combination of references cannot teach or suggest the claim element, and the Patent Office has not established obviousness.

Dependent claims 2-8, 10-16, and 18-24 further define the patentable subject matter of their respective independent claims and are therefore patentable for at least the same reasons as claims 1, 9 and 17.

Claims 26, 27, and 29, as well as dependent claims 3, 11, and 19 deserve special mention. These claims recite paying owners of the affiliate servers a percentage of the fee charged for serving the content. The Patent Office admits that Ricci does not teach this element, but asserts that it is taught by Ferguson, col. 9, lines 2-9 (Final Office Action mailed March 8, 2006, p. 7). While the cited passage of Ferguson does indicate that users of the system or content providers may be charged or paid, there is no indication that these users or content providers are affiliate servers as claimed in claims 3, 11, 19, 26, 27, and 29. Paying the users as taught by Ferguson does not equal paying the owners of the affiliate servers as recited in the claims. The Patent Office states that the content providers of Ferguson are affiliate server owners, where users can download content from the content provider node (Final Office Action mailed March 8, 2006, p. 7). However, claims 3, 11, 19, 26, 27, and 29 recite “enabling client nodes to become affiliate servers that deliver content to other client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files.” Ferguson does not teach or suggest enabling client nodes to become affiliate servers and then paying the owners of the affiliate servers a percentage of the fee. First, the content providers of Ferguson are traditional content providers, they are not client nodes that become affiliate servers. Second, Ferguson does not mention paying a percentage of the fee to the owners of the affiliate servers. Thus, Ferguson does not teach or suggest “enabling client nodes to become affiliate servers that deliver content to other

client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files,” as required by claims 3, 11, 19, 26, 27, and 29. Since Ferguson does not teach or suggest the element for which it is cited, and Ricci admittedly does not teach the element, the combination cannot teach or suggest the element. Therefore, the combination of Ricci and Ferguson does not establish obviousness, and claims 3, 11, 19, 26, 27, and 29 are allowable for this additional reason.

E. Claims 7, 8, 15, 16, and 23-25 Are Non-Obvious Because the Combination of Ricci, Ferguson, and Allegedly Admitted Prior Art Fail to Teach or Suggest Each and Every Element of Claims 7, 8, 15, 16, and 23-25

Claims 7, 8, 15, 16, and 23-25 were rejected under 35 U.S.C. § 103 as being unpatentable over Ricci in view of Ferguson and further in view of allegedly admitted prior art. Applicant respectfully traverses. The standards for establishing obviousness are set forth above. Claims 7-8 depend from claim 1 and contain all of the limitations of claim 1. Claims 15 and 16 depend from claim 9 depend from claim 1 and contain all of the limitations of claim 1. Claims 23 and 24 depend from claim 17 and contain all of the limitations of claim 1. Claim 25 was addressed above. Thus, all of these claims also contain the limitation “charging a fee based on a quantity of content served.”

As discussed above, the combination of Ricci and Ferguson fails to teach or suggest “charging a fee based on a quantity of content served.” The addition of the allegedly admitted prior art fails to cure the deficiencies of the combination of Ricci and Ferguson. Thus, claims 7, 8, 15, 16, and 23-25 are allowable.

F. Conclusion

The Patent Office has not shown where all the elements of the claim are shown with sufficient particularity to sustain an obviousness rejection. In particular, the references cited by the Patent Office fail to teach or suggest “charging a fee based on a quantity of content served,” as claimed in the present invention. Ricci provides a technique to collect royalties for use of copyrighted material, but does not charge a fee based on the quantity of content served. The reason Ricci is not concerned about the quantity of content served is that royalties for copyrighted works are not based on the quantity of content, but are instead based on use of the

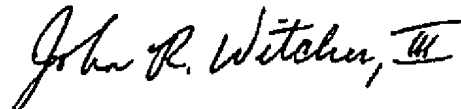
content. As such, Ricci monitors use of the copyrighted content and thus does not charge fees based on the quantity of content served.

Since Ricci does not charge fees based on the quantity of content served and the other cited reference Ferguson does not cure the deficiencies of Ricci, the Patent Office has not shown where each and every element of the claimed invention is shown in the prior art with sufficient particularity to sustain an obviousness rejection. As such, the claims are not obvious, and therefore Appellant requests that the Board reverse the Examiner and instruct the Examiner to allow the claims for these reasons.

Respectfully submitted,

WITHROW & TERRANOVA, P.L.L.C.

By:

A handwritten signature in cursive script that reads "John R. Witcher, III". The signature is written in dark ink and is positioned to the right of the word "By:".

John R. Witcher, III
Registration No. 39,877
P.O. Box 1287
Cary, NC 27512
Telephone: (919) 654-4520

Date: December 6, 2006
Attorney Docket: 1104-032

(8) APPENDIX

1. A method for generating revenue in a peer-to-peer file delivery network, the peer-to-peer file delivery network including at least one server node and multiple client nodes, the method comprising the steps of:

- (a) enabling peer-to-peer file sharing of content by,
 - (i) initiating on one client node a download of a particular content item served from the server node or another client node, and
 - (ii) charging a fee based on a quantity of content served related to the particular content item; and
- (b) enabling decentralized downloads of subscription-based content by
 - (i) allowing client nodes of the multiple client nodes to subscribe to the subscription-based content,
 - (ii) periodically sending the subscription-based content to each respective subscribing client node, and
 - (iii) charging a fee to providers of the subscription-based content for serving the subscription-based content.

2. The method of claim 1 further including the step of:

- (c) providing direct marketing by
 - (i) sending marketing content to the client nodes from the server node as well as from other client nodes, and
 - (ii) charging a fee to providers of the marketing content.

3. The method of claim 1 further including the step of:

- (d) enabling client nodes to become affiliate servers that deliver content to other client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files.

4. The method of claim 1 wherein the content includes free content and fee-based content, step (a)(ii) further including the steps of:

- (1) charging a fee to a provider of the free content for serving the free content, and

(2) charging a fee to a user of the initiating client node for the download of the fee-based content.

5. The method of claim 4 wherein the subscription-based content includes free content and fee-based content, step (b)(iii) further including the step of:

(1) charging a fee to users of the subscribing client nodes for receiving the fee-based content.

6. The method of claim 4 wherein the subscription-based content includes free content and fee-based content, step (b)(iii) further including the step of charging a fee to users of the subscribing client nodes for opening the fee-based content.

7. The method of claim 2 wherein step (c)(ii) further includes the step of: charging a fee to the provider of the marketing content based on a cost per click.

8. The method of claim 7 wherein step (c)(ii) further includes the step of: charging a fee to the provider of the marketing content based on a cost per acquisition.

9. A system for generating revenue in a peer-to-peer file delivery network, the peer-to-peer file delivery network including at least one server node and multiple client nodes, the system comprising:

means for enabling peer-to-peer file sharing of content whereby one client node initiates a download of a particular content item served from the server node or another client node, and wherein a fee is charged based on a quantity of content served related to the particular content item; and

means for enabling decentralized downloads of subscription-based content that client nodes of the multiple client nodes subscribe to in order to receive periodic updates, wherein a fee is charged to providers of subscription-based content for serving the subscription-based content to the client nodes.

10. The system of claim 9 further including means for providing direct marketing to client

nodes such that marketing content is sent to the client nodes from the server node as well as from other client nodes, and a fee is charged to providers of the marketing content.

11. The system of claim 9 further including means for enabling client nodes to become affiliate servers that deliver content to other client nodes, such that owners of the affiliate servers are paid a percentage of the fee charged for serving files.

12. The system of claim 9 wherein the content includes free content and fee-based content, and a provider of the free content is charged a fee for serving the free content, and a user of the initiating client node is charged a fee for download of the fee-based content.

13. The system of claim 12 wherein the subscription-based content includes second free content and second fee-based content, and wherein users of subscribing client nodes are charged a fee for receiving the second fee-based content.

14. The system of claim 12 wherein the subscription-based content includes second free content and second fee-based content, and wherein users of the subscribing client nodes are charged a fee for opening the second fee-based content.

15. The system of claim 10 further comprising means for charging a fee from a provider of the marketing content based on a cost per click.

16. The system of claim 15 further comprising means for charging a fee from the provider of the marketing content based on a cost per acquisition.

17. A computer-readable medium containing program instructions for generating revenue in a peer-to-peer file delivery network, the peer-to-peer file delivery network including at least one server node and multiple client nodes, the program instructions for:

- (a) enabling peer-to-peer file sharing of content by,
 - (i) initiating on one client node a download of a particular content item served from the server node or another client node, and

- (ii) charging a fee based on a quantity of content served related to the particular content item; and
- (b) enabling decentralized downloads of subscription-based content by
 - (i) allowing client nodes of the multiple client nodes to subscribe to subscription-based content,
 - (ii) periodically sending the subscription-based content to each respective subscribing client node, and
 - (iii) charging a fee to providers of the subscription-based content for serving the subscription-based content.

18. The computer-readable medium of claim 17 further including the instruction of:

- (c) providing direct marketing by
 - (i) sending marketing content to the client nodes from the server node as well as from other client nodes, and
 - (ii) charging a fee to providers of the marketing content.

19. The computer-readable medium of claim 17 further including the instruction of:

- (d) enabling client nodes to become affiliate servers that deliver content to other client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files.

20. The computer-readable medium of claim 17 wherein the content includes free content and fee-based content, instruction (a)(ii) further including the instructions of:

- (1) charging a fee to a provider of the free content for serving the free content, and
- (2) charging a fee to a user of an initiating client node for download of the fee-based content.

21. The computer-readable medium of claim 20 wherein the subscription-based content includes second free content and second fee-based content, instruction (b)(iii) further including the instruction of:

- (1) charging a fee to users of the respective subscribing client node for receiving the second fee-based content.

22. The computer-readable medium of claim 20 wherein the subscription-based content includes second free content and second fee-based content, instruction (b)(iii) further including the instruction of charging a fee to users of the respective subscribing client nodes for opening the second fee-based content.

23. The computer-readable medium of claim 18 wherein instruction (c)(ii) further includes the instruction of:

charging a fee to the providers of the marketing content based on a cost per click.

24. The computer-readable medium of claim 23 wherein instruction (c)(ii) further includes the instruction of:

charging a fee to the providers of the marketing content based on a cost per acquisition.

25. A method for providing subscription-based decentralized file downloads to client nodes in a peer-to-peer public network, each of the client nodes affiliated with a user account, the method comprising the steps of:

(a) receiving content files from at least one content provider, the content including free subscription content files, fee-based subscription content files, and marketing content files;

(b) allowing the client nodes to subscribe to particular content files;

(c) periodically delivering the particular content files to respective clients nodes that subscribed to the particular content files;

(d) charging the at least one content provider a fee for delivering the content files to the client nodes over the peer-to-peer public network;

(e) charging the at least one content provider a fee for the marketing content files based on a number of users that access the marketing content files once downloaded; and

(f) charging user accounts of the client nodes that received fee-based subscription content files.

26. A method for generating revenue in a peer-to-peer file delivery network, the network including at least one server node and multiple client nodes, the method comprising the steps of:

- (a) enabling peer-to-peer file sharing of content by,**
 - (i) initiating on one client node a download of a particular content item served from the at least one server node or another client node, and**
 - (ii) charging a fee based on a quantity of content served related to the particular content item;**
- (b) enabling decentralized downloads of subscription-based content by**
 - (i) allowing client nodes of the multiple client nodes to subscribe to the subscription-based content,**
 - (ii) periodically sending the subscription-based content to each respective subscribing client node, and**
 - (iii) charging a fee to providers of the subscription-based content for serving the subscription-based content;**
- (c) providing direct marketing by**
 - (i) sending marketing content to the client nodes from the at least one server node as well as from other client nodes, and**
 - (ii) charging a fee to providers of the marketing content; and**
- (d) enabling client nodes to become affiliate servers that deliver content to other client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files.**

27. A system for generating revenue in a peer-to-peer file delivery network, the peer-to-peer file delivery network including at least one server node and multiple client nodes, the system comprising:

means for enabling peer-to-peer file sharing of content whereby one client node initiates a download of a particular content item served from the at least one server node or another client node, and wherein a fee is charged based on a quantity of content served related to the particular content item;

means for enabling decentralized downloads of subscription-based content that client nodes of the multiple client nodes subscribe to in order to receive periodic updates, wherein a fee is charged to providers of the subscription-based content for serving the subscription-based content to the client nodes;

means for providing direct marketing to the client nodes such that marketing content is sent to the client nodes from the at least one server node as well as from other client nodes, and a fee is charged to providers of the marketing content; and

means for enabling client nodes to become affiliate servers that deliver content to other client nodes, such that owners of the affiliate servers are paid a percentage of the fee charged for serving files.

28. A system for generating revenue in a peer-to-peer file delivery network, comprising:
a server node adapted to:

allow a download by a client node, wherein a fee is charged based on a quantity of content served during the download; and

enable downloads of subscription-based content by client nodes, wherein a second fee is charged to providers of the subscription-based content for serving the subscription based content to the client nodes.

29. A server node comprising:
a network interface; and
a control system adapted to:

share content with a client node and charge a fee based on a quantity of content shared with the client node;

provide subscription-based content to which the client node may subscribe, wherein a fee is charged to providers of the subscription-based content for providing the subscription-based content to the client node; and

provide direct marketing to the client node such that marketing content is provided to the client node and a fee is charged to providers of the marketing content; and
wherein the client node may become an affiliate server that delivers content to other client nodes such that an owner of the affiliate server is paid a percentage of a fee charged for content delivery.

(9) EVIDENCE APPENDIX

Appellant relies on no evidence, thus this appendix is not applicable.

(10) RELATED PROCEEDINGS APPENDIX

As there are no related proceedings, this appendix is not applicable.

Exhibit B

Electronic Acknowledgement Receipt

EFS ID:	2767585
Application Number:	10991718
International Application Number:	
Confirmation Number:	8817
Title of Invention:	<div>DOCKETED <u>MX # 1125108</u></div> Digital file marketplace
First Named Inventor/Applicant Name:	Christopher Allin Kitze
Customer Number:	74548
Filer:	Benjamin Withrow/Michelle Heymann
Filer Authorized By:	Benjamin Withrow
Attorney Docket Number:	1104-033
Receipt Date:	25-JAN-2008
Filing Date:	17-NOV-2004
Time Stamp:	14:10:08
Application Type:	Utility under 35 USC 111(a)

Payment information:

Submitted with Payment	no				
File Listing:					
Document Number	Document Description	File Name	File Size(Bytes) /Message Digest	Multi Part /.zip	Pages (if appl.)
1	Reply Brief Filed	Reply_Brief.pdf	193801 <small>0618c7d766c478b2d0edc6ee13b8c5cba77d0edf</small>	no	4
Warnings:					
Information:					

This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office

If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Christopher A. Kitze
Serial No. 10/991,718
Filed: 11/17/2004
For: **DIGITAL FILE MARKETPLACE**

Examiner: Fadey S. Jabr
Art Unit: 3628

Mail Stop Appeal Brief – Patents
Commissioner for Patents
PO Box 1450
Alexandria, VA 22313-1450

Sir:

A **REPLY BRIEF** is filed herewith in response to the Examiner's Answer mailed November 28, 2007. If any fees are required in association with this Reply Brief, the Director is hereby authorized to charge them to Deposit Account 50-1732, and consider this a petition therefor.

REPLY BRIEF

A. Introduction

In response to the Examiner's Answer mailed November 28, 2007 and remailed December 7, 2007 (hereinafter "Examiner's Answer"), the Appellants respectfully submit that claims 1-41 are patentable over U.S. Patent No. 6,282,653 B1 to *Berstis et al.* (hereinafter "*Berstis*"), U.S. Patent No. 5,774,654 to *Maki* (hereinafter "*Maki*"), U.S. Patent Application Publication No. 2002/0152874 A1 to *Vilcauskas et al.* (hereinafter "*Vilcauskas*"), U.S. Patent No. 6,961,714 B1 to *LeVine* (hereinafter "*LeVine*"), U.S. Patent No. 5,848,398 to *Martin et al.* (hereinafter "*Martin*"), U.S. Patent No. 5,825,883 to *Archibald* (hereinafter "*Archibald*"), U.S. Patent No. 5,982,891 to *Ginter et al.* (hereinafter "*Ginter*"), U.S. Patent Application Publication No. 2002/0062290 A1 to *Ricci* (hereinafter "*Ricci*"), U.S. Patent No. 6,041,316 to *Allen* (hereinafter "*Allen*"), and U.S. Patent No. 6,381,228 B1 to *Prieto, Jr. et al.* (hereinafter "*Prieto*"). In particular, the Appellants submit that none of the references either alone or in combination, disclose the feature of deducting a bandwidth fee from a royalty where the bandwidth fee is associated with a download of a digital file.

B. Rejections

Claims 1, 11, 15, 25, 29, and 39 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and further in view of *Vilcauskas*. Claims 2, 16, and 30 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *LeVine* and *Martin*. Claims 4, 18, and 32 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Archibald*. Claims 5, 19, and 33 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *LeVine*, *Martin*, and *Archibald*. Claim 6, 20, and 34 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Levine*, *Martin*, *Archibald*, and *Ginter*. Claims 7, 12, 21, 26, 35, and 40 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Ricci*. Claims 8-10, 22-24, and 36-38 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Ricci* and *Allen*. Claims 13, 14, 27, 28, and 41 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in

view of *Maki* and *Vilcauskas*, and further in view of *Ricci* and *Prieto*. The Appellants respectfully traverse the rejections.

C. Argument

According to Chapter 2143.03 of the M.P.E.P., in order to establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught by the prior art. The Appellants submit that none of the references, either singularly or in combination, disclose all the features recited in claims 1, 11, 15, 25, 29, and 39. More specifically, claim 1 recites a method for providing a digital file marketplace comprising, among other features, paying royalties to an owner where “a bandwidth fee charged to the content owners is deducted from the royalties, the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files.” Claims 15 and 29 include similar features. The Appellants submit that none of the references, either alone or in combination, disclose that a bandwidth fee, which is associated with a download of a digital file and charged to a content owner, is deducted from a royalty. In maintaining the rejection, the Patent Office asserts that *Berstis* discloses a royalty account, which is adjusted for service and processing fees.¹ The Appellants respectfully disagree.

While *Berstis* does disclose a royalty account, *Berstis* makes no mention about adjusting the royalty account by deducting a bandwidth fee from a royalty. At most, *Berstis* discloses that a content provider account is adjusted by an amount of a royalty payment.² Furthermore, *Berstis* discloses that the content provider account is adjusted by an appropriate service fee or service charge.³ However, *Berstis* does not disclose that the bandwidth fee is deducted from the royalty itself. Instead, a content provider account is adjusted for service fees or other fees. Moreover, *Berstis* explicitly discloses that the content provider account may be adjusted either positively or negatively, i.e., funds may be added to the account or subtracted from the account, in light of service fees or other charges.⁴ Similarly, neither *Maki* nor *Vilcauskas* discloses this feature. Accordingly, claims 1, 15, and 29, along with claims 11, 25, and 39, which depend therefrom, are patentable over the cited references. Moreover, none of other cited references, either alone or

¹ See Examiner’s Answer, page 14.

² See *Berstis*, col. 9, ll. 50-53.

³ See *Berstis*, col. 9, ll. 50-53.

⁴ See *Berstis*, col. 9, ll. 50-53.

in combination, disclose this feature. Thus, claims 2-10, 12-14, 16-24, 26-28, 30-38, 40, and 41 are patentable over the cited references.

D. Conclusion

As detailed above, none of the cited references, either alone or in combination, disclose the feature of deducting a bandwidth fee from a royalty where the bandwidth fee is associated with a download of a digital file. Accordingly, the pending claims are patentable over the cited references.

Respectfully submitted,
WITHROW & TERRANOVA, P.L.L.C.

By:



Anthony J. Josephson
Registration No. 45,742
100 Regency Forest Drive, Suite 160
Cary, NC 27518
Telephone: (919) 238-2300

Date: January 25, 2008
Attorney Docket: 1104-033



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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/991,718	11/17/2004	Christopher Allin Kitze	1104-033	8817

74548 7590 12/07/2007
FlashPoint Technology and Withrow & Terranova
100 Regency Forest Drive
Suite 160
Cary, NC 27518

EXAMINER

JABR, FADEY S

ART UNIT	PAPER NUMBER
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3628

MAIL DATE	DELIVERY MODE
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12/07/2007

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.



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APPLICATION NO./ CONTROL NO.	FILING DATE	FIRST NAMED INVENTOR / PATENT IN REEXAMINATION	ATTORNEY DOCKET NO.
10991718	11/17/2004	KITZE ET AL.	1104-033

FlashPoint Technology and Withrow & Terranova
100 Regency Forest Drive
Suite 160
Cary, NC 27518

EXAMINER

Fadey S. Jabr

ART UNIT

PAPER

3628

20071117

DATE MAILED:

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner for Patents

Regarding correction required in Examiner's answer, mailed 28 October 2007, in response to Appellants' Appeal Brief, filed 15 November 2007--In Section (8) Evidence Relied Upon, page 3, the US Patent Number of LeVine was incorrectly noted. The US Patent Number of LeVine -- [6,967,714 B1]-- has been replaced with --[6,961,714 B1]--.


JOHN W. HAYES
SUPERVISORY PATENT EXAMINER



UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
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Alexandria, VA 22313-1450
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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 10/991,718
Filing Date: November 17, 2004
Appellant(s): KITZE ET AL.

Anthony J. Josephson
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 15 November 2007 appealing from the Office action mailed 11 May 2007.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The following are the related appeals, interferences, and judicial proceedings known to the examiner which may be related to, directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal:

Application No. 09/963,812, entitled Method and System for Generating Revenue in a Peer-To-Peer File Delivery Network.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

6,282,653 B1	Berstis et al.	8-2001
US2002/0152874 A1	Vilvauskas et al.	10-2002
5,774,654	Maki	6-1998
6,961,714 B1	LeVine	11-2005
5,848,398	Martin et al.	12-1998
5,825,883	Archibald et al.	10-1998
5,982,891	Ginter et al.	12-1999
US2002/0062290 A1	Ricci	5-2002
5,819,092	Ferguson et al.	10-1998
6,381,228 B1	Prieto, Jr. et al.	4-2002
6,041,316	Allen	3-2000
6,009,415	Shurling et al.	12-1999

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 1, 11, 15, 25, 29 and 39 are rejected under 35 U.S.C. 103(a) as being unpatentable over Berstis et al., U.S. Patent No. 6,282,653 B1 in view of Maki, U.S. Patent No. 5,774,654 and Vilcauskas et al., Pub. No. US2002/0152874 A1.

As per Claims 1, 15 and 29, Berstis et al. discloses a method for providing a digital marketplace over a network, comprising the steps of:

- allowing content owners to share digital files on the digital file marketplace, the digital files being accessible to consumers through the network (C. 2, lines 36-67);
- generating revenue through the digital file marketplace including charging the consumers fees for receiving or opening the digital files (C. 2, lines 63-67); and
- paying a percentage of the revenue to the content owners as royalties (C.5, lines 1-3; C. 8, lines 17-27).

Berstis et al. also discloses providing the content owner their royalty payments after adjusting the royalty payments for any service or processing fees (C. 8, lines 17-28). However, Berstis et al. fails to *explicitly* disclose the remainder of the revenue going to a provider of the digital file marketplace, wherein a bandwidth fee charged to the content owners is deducted from the royalties, the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to the consumers through the network. However, Maki teaches calculating a usage for a communication line on the basis of charge information associated with the communication time and the line, and means for visually displaying the communication time and the usage (C. 1, lines 47-54). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include charging a customer

for usage of their communication line (i.e. bandwidth) as taught by Maki, because it would allow the distribution line owner to charge individual users based on their specific amount of network usage.

Moreover, Vilcauskas et al. teaches a service provider adjusting a fee schedule based upon the bandwidth for the file transfer that the user will be using to download the songs (0040). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include charging any user (customer or content provider) based on their bandwidth usage during file transfers as taught by Vilcauskas et al., because it would allow the service provider to charge users based on their specific amount of network usage.

As per Claims 11, 25 and 39, Berstis et al. further discloses including the step of implementing the digital file marketplace as a website (C. 5, lines 9-11; C. 6, lines 48-63).

3. Claims 2, 16 and 30 are rejected under 35 U.S.C. 103(a) as being unpatentable over Berstis et al., U.S. Patent No. 6,282,653 B1 in view of Maki, U.S. Patent No. 5,774,654 and Vilcauskas et al., Pub. No. US2002/0152874 A1 as applied to claims 1, 15 and 29 above, and further in view of LeVine, U.S. Patent No. 6,961,714 B1 and Martin et al., U.S. Patent No. 5,848,398.

As per Claims 2, 16 and 30, Berstis et al. further discloses the royalty calculating method (C. 8, lines 17-28). Berstis et al. fails to explicitly disclose calculating a royalty payment for each content owner by dividing the royalty pool by a number of content owners participating during the predetermined time period based on actual consumption of digital files associated with each content owner. However, Martin et al. teaches that it is known to calculate a royalty pool (C. 6, lines 31-32) and then to calculate the royalty owed to each content owner by dividing the royalty pool by a number of content owners participating (i.e. particular songs played) based on actual consumption (i.e. number of times song was played) (C. 6, lines 36-38). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include the royalty payment calculating step as taught by Martin et al., because it would allow a service provider to calculate the appropriate royalties due to a content owner based on the usage of the content owner's content.

Moreover, LeVine teaches a user computer retaining the number of uses of a program, which it then report to the service provider computer the specific number of times each game was used and the vendor is able to allocate to the respective the creators of the games royalties accordingly (C. 4, lines 4-27; C. 4, line 58-C.5, line3). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include tracking royalties from consumers then at a specified time providing the content owners with their royalty payment as taught by LeVine, because it would allow for less transactions between all parties involved if the royalties due from the user and the content owner were done after a specified royalty collection time.

4. Claims 4, 18 and 32 are rejected under 35 U.S.C. 103(a) as being unpatentable over Berstis et al., U.S. Patent No. 6,282,653 B1 in view of Maki, U.S. Patent No. 5,774,654 and Vilcauskas et al., Pub. No. US2002/0152874 A1 as applied to claims 4, 18 and 32 above, and further in view of Archibald, U.S. Patent No. 5,825,883.

As per Claims 4, 18 and 32, Berstis et al. fails to explicitly disclose providing each content owner with a choice of receiving corresponding royalty payment as a credit charged to a credit card account, or as a check mailed to an address or record. However, Archibald teaches providing a publisher with royalty payments by check, direct deposit or electronic message to their computer system (C. 16, lines 5-15). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include paying the content owner via check, direct deposit or electronic message as taught by Archibald et al., because it provides the content owner flexibility in determining how they will be reimbursed for the use of their content.

5. Claims 5, 19 and 33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Berstis et al., U.S. Patent No. 6,282,653 B1 in view of Maki, U.S. Patent No. 5,774,654 and Vilcauskas et al., Pub. No. US2002/0152874 A1 as applied to claims 1, 15 and 29 above, and further in view of LeVine, U.S. Patent No. 6,961,714 B1 and Martin et al., U.S. Patent No. 5,848,398, and further in view of Archibald, U.S. Patent No. 5,825,883.

As per Claims 5, 19 and 33, Berstis et al. fails to disclose the step of calculating the royalty pool on one of a daily, weekly, or monthly basis. However, Archibald et al teaches collecting the credit information in a real time manner and then distribute payment to the appropriate publishers at timed intervals, such as once a week, once a month, etc. (C. 7, lines 7-18; C. 12, lines 37-42). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include calculating the royalty pool over a specified time interval as taught by Archibald, because it would allow for less transactions between the service provider and the content owner if the payments were distributed after a specified time interval.

6. Claims 6, 20 and 34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Berstis et al., U.S. Patent No. 6,282,653 B1 in view of Maki, U.S. Patent No. 5,774,654 and Vilcauskas et al., Pub. No. US2002/0152874 A1 as applied to claims 1, 15 and 29 above, and further in view of LeVine, U.S. Patent No. 6,961,714 B1 and Martin et al., U.S. Patent No. 5,848,398, and further in view of Archibald, U.S. Patent No. 5,825,883 and Ginter et al., U.S. Patent No. 5,982,891.

As per Claims 6, 20 and 34, Berstis et al. fails to explicitly disclose defining consumption as at least one of a number of digital files delivered, a total size of digital file delivered, or money per digital file paid for a digital file by a consumer. However, Archibald teaches consumption is defined as, among other things, an overall use of a digital file (C. 3, lines 39-41; C. 10, lines 50-56). Moreover, Ginter et al. teaches that it is known in the art to calculate

royalties for the distribution of digital files on a daily, weekly, or monthly bases and to define consumption based on the size of the content filed (see Figure 4). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method Berstis et al. and include calculating royalties and defining consumption as taught by Ginter et al., because it allows a service provider to determine the value to charge a user based on a metric (e.g. file size).

7. Claims 7, 12, 21, 26, 35 and 40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Berstis et al., U.S. Patent No. 6,282,653 B1 in view of Maki, U.S. Patent No. 5,774,654 and Vilcauskas et al., Pub. No. US2002/0152874 A1 as applied to claims 1, 15 and 29 above, and further in view of Ricci, Pub. No. 2002/0062290 A1.

As per Claims 7, 12, 21, 26, 35 and 40, Berstis et al. further discloses a network including at least one server node and multiple client nodes. The method includes peer-to-peer file sharing of content by initiating on one client node a download of a particular content item from the server node and charging a fee based on the quantity of content received (C. 7, lines 1-28; C. 8, lines 17-27). The method enables multiple client nodes to subscribe to a source to receive content and to receive the content from the source on a periodic basis while charging a fee to the providers of the content (C. 7, lines 1-28; C. 8, lines 26-28).

Moreover, Ricci teaches peer-to-peer file sharing including initiating on one client node a download of a particular content item served from the server node or another client node (0018) and charging a fee based on a quantity of the content served (0022, 0053). Therefore, it would

have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis and include enabling peer-to-peer file sharing and charging a user a fee for the quantity of the content served as taught by Ricci, because it ensures any user downloading the content will pay the owner the appropriate royalty while reducing the bandwidth required by the distributor to distribute the files (0030).

8. Claims 8-10, 22-24 and 36-38 are rejected under 35 U.S.C. 103(a) as being unpatentable over Berstis et al., U.S. Patent No. 6,282,653 B1 in view of Maki, U.S. Patent No. 5,774,654 and Vilcauskas et al., Pub. No. US2002/0152874 A1 as applied to claims 1, 15 and 29 above, and further in view of Ricci, Pub. No. 2002/0062290 A1 and Allen, U.S. Patent No. 6,041,316.

As per Claims 8-10, 22-24 and 36-38, Berstis et al. further discloses charging content providers for services or processing fees rendered (C.8, lines 17-28). Berstis et al. fails to explicitly teach enabling decentralized downloads of subscription-based content by allowing the client nodes to subscribe to one or more of the subscription-based content, periodically sending the subscribed to subscription-based content to each the respective subscribing client nodes. However, Ricci discloses a method for providing subscription-based decentralized file downloads to client nodes in a peer-to-peer public network, each of the client nodes affiliated with a user account, the method comprising the steps of:

- allowing the client nodes to subscribe to one or more of the content subscription-based content (0057, 0061);

- periodically sending subscription-based content to each of the respective subscribing clients nodes (0040);
- charging a fee from a user receiving the fee-based content (0022, 0053);

Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include allowing users to register for the digital content and sending the users the digital content as taught by Ricci, because it ensures that the user receiving the content is entitled to the subscription-based content while also charging them for their use of the digital content.

Moreover, Allen teaches that it is known in the art to provide initial free content to a user and the full, fee-based content to the user after payment. Since the user could refuse the payment step and thus refuse the full file content, the provider of the free content must bear the cost of providing the file to the network (see Figure 2). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis and include the steps of providing free and fee-based content as taught by Allen, because in order to provide the steps by which a consumer/user can partially see the files they are thinking of purchasing before they actually purchase the entire file.

9. Claims 13-14, 27-28 and 41 are rejected under 35 U.S.C. 103(a) as being unpatentable over Berstis et al., U.S. Patent No. 6,282,653 B1 in view of Maki, U.S. Patent No. 5,774,654 and Vilcauskas et al., Pub. No. US2002/0152874 A1 as applied to claims 1, 15 and 29 above, and further in view of Ricci, Pub. No. 2002/0062290 A1 and further in view of Prieto, Jr. et al., U.S. Patent No. 6,381,228 B1.

As per Claims 13, 27 and 41, Berstis et al. fails to disclose allowing consumers to become affiliates of the digital file marketplace where unused bandwidth of a given computer of a consumer is used to deliver a digital file to other consumers, and paying the affiliates of the network as an incentive for donating the unused bandwidth to the network. Prieto, Jr. et al. teaches that it is known in the communications art to allow unused bandwidth to be sold (C. 11, lines 7-12). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include allowing unused bandwidth to be sold as taught by Prieto, Jr. et al., because in order to provide an economical arrangement in which unused bandwidth is distributed to those network users who need it while allowing a consumer to recoup what would be wasted.

As per Claims 14 and 28, Berstis et al. fails to explicitly disclose paying the affiliates for referring new consumers to the network. However, the examiner takes Office Notice that is old and well known in the art to pay consumers/users of a business entity for referring new consumers/users to the business entity. Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include paying consumers of a business entity for referring new consumers to the business entity, because it increase the amount of consumers/users who do commerce with the business entity.

(10) Response to Argument

First Issue

Applicant argues that the cited prior art references do not disclose or suggest, "a bandwidth fee charged to the content owners is deducted from the royalties, the bandwidth fee

corresponding to a cost of a bandwidth required to distribute the digital files....that a bandwidth fee which is associated with a download of a digital file and charged to a content owner is deducted from a royalty” Examiner would first like to point out that the cited prior art references are analogous art, specifically Berstis et al., Maki and Vilcauskas et al. Berstis et al. is a royalty collection system that facilitates royalty collection with respect to online distribution of electronically published material over a computer network. In one embodiment, the system manages the use of the digital file (content subject to copyright protection on behalf on some content provider) by establishing a count of a number of permitted copies of the digital file, where a copy of the digital file is transferred from a source to a target (see Abstract). Further, Maki teaches a system for transmitting/receiving data through a plurality of communication channels, comprising means for calculating a communication time on the basis of the amount of transmission data and the number of channels (C. 1, lines 44-57). Moreover, Vilcauskas et al. teaches a model based upon ownership of the music so that all the artists are properly compensated for their work, where the compressed digital content is stored on servers interconnected to the Internet or any other computer network that allows communication between computers (0022-0023). Therefore, the cited prior art references are all concerned with providing data to users through a communication network.

Regarding applicant’s argument that the cited prior art references fails to disclose, “a bandwidth fee charged to the content owners is deducted from the royalties, the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files”, Examiner notes that the system of Berstis et al. may be implemented in hardware and/or in software, wherein the software implementation is particularly useful when the client machine is an Internet or Web

appliance (C. 4, line 65 - C. 5, line 3). Further, Berstis et al. goes on to disclose, "the file transfer itself is then capable of being associated with some royalty payment then due to a content provider for use of such file. The scheme thus facilitates implementation of a generalized copyright management/royalty collection and distribution scheme (C. 7, lines 25-28). Furthermore, Berstis discloses, "It is envisioned (although not required) that given content providers will subscribe to a royalty collection service implemented by the present invention and perhaps pay a fee (e.g., a commission or service charge) for the service provided...the content provider (owner) account is adjusted for any service or processing fees, and the remainder of the account is then distributed to the content provider (owner) (C. 8, lines 10-28). Berstis discloses a royalty collection system that compensates content provider, and further discloses that the system adjusts (i.e. deducts) from their account (i.e. royalties) for **any service or processing fees**, and the remainder of the account is then distributed to the content provider. Also, Berstis discloses managing royalty account collection with respect to a particular digital file...(C. 8, lines 36-39), which further discloses that the service and processing fees are being deducted from the royalty account. Berstis also discloses, "It is also assumed that a royalty account has been established for the content provider at one of the management servers (C. 8, lines 47-50), even further disclosing that the royalty account is being adjusted for the service and processing fees discussed above. Therefore, it is old and well known in the art at the time of the Applicant's invention to charge content owners service and processing fees where the service and processing fees include bandwidth charges. Moreover, it is well known in the art that a part of the service cost for maintaining a network-based business is the cost of a bandwidth between the business server and the ISP. Therefore, it would have been obvious to one of ordinary skill in the art at

the time of applicant's invention to include the bandwidth fees in the service cost charged to the content owner.

Regardless of the fact that it would have been obvious to one of ordinary skill at the time of the applicant's invention to include bandwidth fees as a service or processing fee deducted from the content provider's account, the Maki reference was cited to further disclose that it is old and well known to charge for network usage (i.e. bandwidth) (C. 1, lines 47-54). Furthermore, "In resolving the question of obviousness under 35 USC 103, we presume full knowledge by the inventor of all the prior art in the field of his endeavor. However, with regard to prior art outside the field of his endeavor, we only presume knowledge from those arts reasonably pertinent to the particular problem with which the inventor was involved. The rationale behind this rule precluding rejections based on combination of teachings of references from nonanalogous arts is the realization that an inventor could not possibly be aware of every teaching in every art. Thus, we attempt to more closely approximate the reality of the circumstances surrounding the making of an invention by only presuming knowledge by the inventor of prior art in the field of his endeavor and in analogous arts. The determination that a reference is from a nonanalogous art is therefore twofold. First, we decide if the reference is within the field of the inventor's endeavor. If it is not, we proceed to determine whether the reference is reasonably pertinent to the particular problem with which the inventor was involved." In re Wood and Eversole, 202 USPQ 171, 174 (CCPA 1979).

Examiner notes that that Vilcauskas et al. reference was cited to disclose charging users (customer or content provider) for the amount of bandwidth used to transfer the file (0040). Examiner also notes that it is old and well known for ISP to charge customers for the amount of

bandwidth they consume. Therefore, the fee schedule of Vilcauskas et al. which is based upon the amount of bandwidth the user consumes in order to download digital files is equivalent to the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to the consumers through the network.

Thus, the cited prior art references disclose a bandwidth fee charged to the content owners is deducted from the royalties, the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files, where the bandwidth fee is associated with the downloading of a digital file.

In addition, combining prior art elements according to known methods to yield predictable results is old and well known. A finding that the prior art included each element claimed, although not necessarily in a single prior art reference, with the only difference between the claimed invention and the prior art being the lack of actual combination of the elements in a single prior art reference. For example, combining a prior art reference that discloses deducting service fees from a customer's account with a reference that teaches a bandwidth service fee, would have led to a predictable result.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

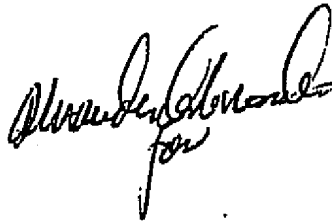
Fadey S. Jabr
Examiner
Art Unit 3628

Application/Control Number:
10/991,718
Art Unit: 3628

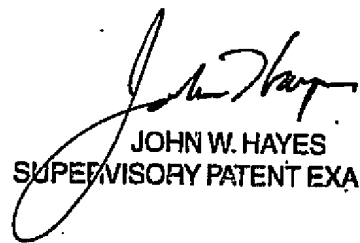
Page 17

Conferees:

Vincent Millin

A handwritten signature in cursive script, appearing to read "Vincent Millin", with a small "for" written below it.

John W. Hayes

A handwritten signature in cursive script, appearing to read "John W. Hayes".A handwritten signature in cursive script, appearing to read "John W. Hayes".

JOHN W. HAYES
SUPERVISORY PATENT EXAMINER



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10/991,718	11/17/2004	Christopher Allin Kitze	1104-033	8817
74548	7590	11/28/2007		
FlashPoint Technology and Withrow & Terranova 100 Regency Forest Drive Suite 160 Cary, NC 27518			EXAMINER JABR, FADEY S	
			ART UNIT 3628	PAPER NUMBER
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.



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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 10/991,718
Filing Date: November 17, 2004
Appellant(s): KITZE ET AL.

MAILED

NOV 28 2007

GROUP 3600

Anthony J. Josephson
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 15 November 2007 appealing from the Office action mailed 11 May 2007.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The following are the related appeals, interferences, and judicial proceedings known to the examiner which may be related to, directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal:

Application No. **09/963,812**, entitled Method and System for Generating Revenue in a Peer-To-Peer File Delivery Network.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

6,282,653 B1	Berstis et al.	8-2001
US2002/0152874 A1	Vilvauskas et al.	10-2002
5,774,654	Maki	6-1998
6,967,714 B1	LeVine	11-2005
5,848,398	Martin et al.	12-1998
5,825,883	Archibald et al.	10-1998
5,982,891	Ginter et al.	12-1999
US2002/0062290 A1	Ricci	5-2002
5,819,092	Ferguson et al.	10-1998
6,381,228 B1	Prieto, Jr. et al.	4-2002
6,041,316	Allen	3-2000
6,009,415	Shurling et al.	12-1999

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 1, 11, 15, 25, 29 and 39 are rejected under 35 U.S.C. 103(a) as being unpatentable over Berstis et al., U.S. Patent No. 6,282,653 B1 in view of Maki, U.S. Patent No. 5,774,654 and Vilcauskas et al., Pub. No. US2002/0152874 A1.

As per Claims 1, 15 and 29, Berstis et al. discloses a method for providing a digital marketplace over a network, comprising the steps of:

- allowing content owners to share digital files on the digital file marketplace, the digital files being accessible to consumers through the network (C. 2, lines 36-67);
- generating revenue through the digital file marketplace including charging the consumers fees for receiving or opening the digital files (C. 2, lines 63-67); and
- paying a percentage of the revenue to the content owners as royalties (C.5, lines 1-3; C. 8, lines 17-27).

Berstis et al. also discloses providing the content owner their royalty payments after adjusting the royalty payments for any service or processing fees (C. 8, lines 17-28). However, Berstis et al. fails to *explicitly* disclose the remainder of the revenue going to a provider of the digital file marketplace, wherein a bandwidth fee charged to the content owners is deducted from the royalties, the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to the consumers through the network. However, Maki teaches calculating a usage for a communication line on the basis of charge information associated with the communication time and the line, and means for visually displaying the communication time and the usage (C. 1, lines 47-54). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include charging a customer

for usage of their communication line (i.e. bandwidth) as taught by Maki, because it would allow the distribution line owner to charge individual users based on their specific amount of network usage.

Moreover, Vilcauskas et al. teaches a service provider adjusting a fee schedule based upon the bandwidth for the file transfer that the user will be using to download the songs (0040). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include charging any user (customer or content provider) based on their bandwidth usage during file transfers as taught by Vilcauskas et al., because it would allow the service provider to charge users based on their specific amount of network usage.

As per Claims 11, 25 and 39, Berstis et al. further discloses including the step of implementing the digital file marketplace as a website (C. 5, lines 9-11; C. 6, lines 48-63).

3. Claims 2, 16 and 30 are rejected under 35 U.S.C. 103(a) as being unpatentable over Berstis et al., U.S. Patent No. 6,282,653 B1 in view of Maki, U.S. Patent No. 5,774,654 and Vilcauskas et al., Pub. No. US2002/0152874 A1 as applied to claims 1, 15 and 29 above, and further in view of LeVine, U.S. Patent No. 6,961,714 B1 and Martin et al., U.S. Patent No. 5,848,398.

As per Claims 2, 16 and 30, Berstis et al. further discloses the royalty calculating method (C. 8, lines 17-28). Berstis et al. fails to explicitly disclose calculating a royalty payment for each content owner by dividing the royalty pool by a number of content owners participating during the predetermined time period based on actual consumption of digital files associated with each content owner. However, Martin et al. teaches that it is known to calculate a royalty pool (C. 6, lines 31-32) and then to calculate the royalty owed to each content owner by dividing the royalty pool by a number of content owners participating (i.e. particular songs played) based on actual consumption (i.e. number of times song was played) (C. 6, lines 36-38). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include the royalty payment calculating step as taught by Martin et al., because it would allow a service provider to calculate the appropriate royalties due to a content owner based on the usage of the content owner's content.

Moreover, LeVine teaches a user computer retaining the number of uses of a program, which it then report to the service provider computer the specific number of times each game was used and the vendor is able to allocate to the respective the creators of the games royalties accordingly (C. 4, lines 4-27; C. 4, line 58-C.5, line3). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include tracking royalties from consumers then at a specified time providing the content owners with their royalty payment as taught by LeVine, because it would allow for less transactions between all parties involved if the royalties due from the user and the content owner were done after a specified royalty collection time.

4. Claims 4, 18 and 32 are rejected under 35 U.S.C. 103(a) as being unpatentable over Berstis et al., U.S. Patent No. 6,282,653 B1 in view of Maki, U.S. Patent No. 5,774,654 and Vilcauskas et al., Pub. No. US2002/0152874 A1 as applied to claims 4, 18 and 32 above, and further in view of Archibald, U.S. Patent No. 5,825,883.

As per Claims 4, 18 and 32, Berstis et al. fails to explicitly disclose providing each content owner with a choice of receiving corresponding royalty payment as a credit charged to a credit card account, or as a check mailed to an address or record. However, Archibald teaches providing a publisher with royalty payments by check, direct deposit or electronic message to their computer system (C. 16, lines 5-15). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include paying the content owner via check, direct deposit or electronic message as taught by Archibald et al., because it provides the content owner flexibility in determining how they will be reimbursed for the use of their content.

5. Claims 5, 19 and 33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Berstis et al., U.S. Patent No. 6,282,653 B1 in view of Maki, U.S. Patent No. 5,774,654 and Vilcauskas et al., Pub. No. US2002/0152874 A1 as applied to claims 1, 15 and 29 above, and further in view of LeVine, U.S. Patent No. 6,961,714 B1 and Martin et al., U.S. Patent No. 5,848,398, and further in view of Archibald, U.S. Patent No. 5,825,883.

As per Claims 5, 19 and 33, Berstis et al. fails to disclose the step of calculating the royalty pool on one of a daily, weekly, or monthly basis. However, Archibald et al teaches collecting the credit information in a real time manner and then distribute payment to the appropriate publishers at timed intervals, such as once a week, once a month, etc. (C. 7, lines 7-18; C. 12, lines 37-42). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include calculating the royalty pool over a specified time interval as taught by Archibald, because it would allow for less transactions between the service provider and the content owner if the payments were distributed after a specified time interval.

6. Claims 6, 20 and 34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Berstis et al., U.S. Patent No. 6,282,653 B1 in view of Maki, U.S. Patent No. 5,774,654 and Vilcauskas et al., Pub. No. US2002/0152874 A1 as applied to claims 1, 15 and 29 above, and further in view of LeVine, U.S. Patent No. 6,961,714 B1 and Martin et al., U.S. Patent No. 5,848,398, and further in view of Archibald, U.S. Patent No. 5,825,883 and Ginter et al., U.S. Patent No. 5,982,891.

As per Claims 6, 20 and 34, Berstis et al. fails to explicitly disclose defining consumption as at least one of a number of digital files delivered, a total size of digital file delivered, or money per digital file paid for a digital file by a consumer. However, Archibald teaches consumption is defined as, among other things, an overall use of a digital file (C. 3, lines 39-41; C. 10, lines 50-56). Moreover, Ginter et al. teaches that it is known in the art to calculate

royalties for the distribution of digital files on a daily, weekly, or monthly bases and to define consumption based on the size of the content filed (see Figure 4). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method Berstis et al. and include calculating royalties and defining consumption as taught by Ginter et al., because it allows a service provider to determine the value to charge a user based on a metric (e.g. file size).

7. Claims 7, 12, 21, 26, 35 and 40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Berstis et al., U.S. Patent No. 6,282,653 B1 in view of Maki, U.S. Patent No. 5,774,654 and Vilcauskas et al., Pub. No. US2002/0152874 A1 as applied to claims 1, 15 and 29 above, and further in view of Ricci, Pub. No. 2002/0062290 A1.

As per Claims 7, 12, 21, 26, 35 and 40, Berstis et al. further discloses a network including at least one server node and multiple client nodes. The method includes peer-to-peer file sharing of content by initiating on one client node a download of a particular content item from the server node and charging a fee based on the quantity of content received (C. 7, lines 1-28; C. 8, lines 17-27). The method enables multiple client nodes to subscribe to a source to receive content and to receive the content from the source on a periodic basis while charging a fee to the providers of the content (C. 7, lines 1-28; C. 8, lines 26-28).

Moreover, Ricci teaches peer-to-peer file sharing including initiating on one client node a download of a particular content item served from the server node or another client node (0018) and charging a fee based on a quantity of the content served (0022, 0053). Therefore, it would

have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis and include enabling peer-to-peer file sharing and charging a user a fee for the quantity of the content served as taught by Ricci, because it ensures any user downloading the content will pay the owner the appropriate royalty while reducing the bandwidth required by the distributor to distribute the files (0030).

8. Claims 8-10, 22-24 and 36-38 are rejected under 35 U.S.C. 103(a) as being unpatentable over Berstis et al., U.S. Patent No. 6,282,653 B1 in view of Maki, U.S. Patent No. 5,774,654 and Vilcauskas et al., Pub. No. US2002/0152874 A1 as applied to claims 1, 15 and 29 above, and further in view of Ricci, Pub. No. 2002/0062290 A1 and Allen, U.S. Patent No. 6,041,316.

As per Claims 8-10, 22-24 and 36-38, Berstis et al. further discloses charging content providers for services or processing fees rendered (C.8, lines 17-28). Berstis et al. fails to explicitly teach enabling decentralized downloads of subscription-based content by allowing the client nodes to subscribe to one or more of the subscription-based content, periodically sending the subscribed to subscription-based content to each the respective subscribing client nodes. However, Ricci discloses a method for providing subscription-based decentralized file downloads to client nodes in a peer-to-peer public network, each of the client nodes affiliated with a user account, the method comprising the steps of:

- allowing the client nodes to subscribe to one or more of the content subscription-based content (0057, 0061);

- periodically sending subscription-based content to each of the respective subscribing clients nodes (0040);
- charging a fee from a user receiving the fee-based content (0022, 0053);

Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include allowing users to register for the digital content and sending the users the digital content as taught by Ricci, because it ensures that the user receiving the content is entitled to the subscription-based content while also charging them for their use of the digital content.

Moreover, Allen teaches that it is known in the art to provide initial free content to a user and the full, fee-based content to the user after payment. Since the user could refuse the payment step and thus refuse the full file content, the provider of the free content must bear the cost of providing the file to the network (see Figure 2). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis and include the steps of providing free and fee-based content as taught by Allen, because in order to provide the steps by which a consumer/user can partially see the files they are thinking of purchasing before they actually purchase the entire file.

9. Claims 13-14, 27-28 and 41 are rejected under 35 U.S.C. 103(a) as being unpatentable over Berstis et al., U.S. Patent No. 6,282,653 B1 in view of Maki, U.S. Patent No. 5,774,654 and Vilcauskas et al., Pub. No. US2002/0152874 A1 as applied to claims 1, 15 and 29 above, and further in view of Ricci, Pub. No. 2002/0062290 A1 and further in view of Prieto, Jr. et al., U.S. Patent No. 6,381,228 B1.

As per Claims 13, 27 and 41, Berstis et al. fails to disclose allowing consumers to become affiliates of the digital file marketplace where unused bandwidth of a given computer of a consumer is used to deliver a digital file to other consumers, and paying the affiliates of the network as an incentive for donating the unused bandwidth to the network. Prieto, Jr. et al. teaches that it is known in the communications art to allow unused bandwidth to be sold (C. 11, lines 7-12). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include allowing unused bandwidth to be sold as taught by Prieto, Jr. et al., because in order to provide an economical arrangement in which unused bandwidth is distributed to those network users who need it while allowing a consumer to recoup what would be wasted.

As per Claims 14 and 28, Berstis et al. fails to explicitly disclose paying the affiliates for referring new consumers to the network. However, the examiner takes Office Notice that is old and well known in the art to pay consumers/users of a business entity for referring new consumers/users to the business entity. Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Berstis et al. and include paying consumers of a business entity for referring new consumers to the business entity, because it increase the amount of consumers/users who do commerce with the business entity.

(10) Response to Argument

First Issue

Applicant argues that the cited prior art references do not disclose or suggest, "a bandwidth fee charged to the content owners is deducted from the royalties, the bandwidth fee

corresponding to a cost of a bandwidth required to distribute the digital files....that a bandwidth fee which is associated with a download of a digital file and charged to a content owner is deducted from a royalty” Examiner would first like to point out that the cited prior art references are analogous art, specifically Berstis et al., Maki and Vilcauskas et al. Berstis et al. is a royalty collection system that facilitates royalty collection with respect to online distribution of electronically published material over a computer network. In one embodiment, the system manages the use of the digital file (content subject to copyright protection on behalf on some content provider) by establishing a count of a number of permitted copies of the digital file, where a copy of the digital file is transferred from a source to a target (see Abstract). Further, Maki teaches a system for transmitting/receiving data through a plurality of communication channels, comprising means for calculating a communication time on the basis of the amount of transmission data and the number of channels (C. 1, lines 44-57). Moreover, Vilcauskas et al. teaches a model based upon ownership of the music so that all the artists are properly compensated for their work, where the compressed digital content is stored on servers interconnected to the Internet or any other computer network that allows communication between computers (0022-0023). Therefore, the cited prior art references are all concerned with providing data to users through a communication network.

Regarding applicant’s argument that the cited prior art references fails to disclose, “a bandwidth fee charged to the content owners is deducted from the royalties, the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files”, Examiner notes that the system of Berstis et al. may be implemented in hardware and/or in software, wherein the software implementation is particularly useful when the client machine is an Internet or Web

appliance (C. 4, line 65 - C. 5, line 3). Further, Berstis et al. goes on to disclose, "the file transfer itself is then capable of being associated with some royalty payment then due to a content provider for use of such file. The scheme thus facilitates implementation of a generalized copyright management/royalty collection and distribution scheme (C. 7, lines 25-28).

Furthermore, Berstis discloses, "It is envisioned (although not required) that given content providers will subscribe to a royalty collection service implemented by the present invention and perhaps pay a fee (e.g., a commission or service charge) for the service provided...the content provider (owner) account is adjusted for any service or processing fees, and the remainder of the account is then distributed to the content provider (owner) (C. 8, lines 10-28). Berstis discloses a royalty collection system that compensates content provider, and further discloses that the system adjusts (i.e. deducts) from their account (i.e. royalties) for any service or processing fees, and the remainder of the account is then distributed to the content provider. Also, Berstis discloses managing royalty account collection with respect to a particular digital file...(C. 8, lines 36-39), which further discloses that the service and processing fees are being deducted from the royalty account. Berstis also discloses, "It is also assumed that a royalty account has been established for the content provider at one of the management servers (C. 8, lines 47-50), even further disclosing that the royalty account is being adjusted for the service and processing fees discussed above. Therefore, it is old and well known in the art at the time of the Applicant's invention to charge content owners service and processing fees where the service and processing fees include bandwidth charges. Moreover, it is well known in the art that a part of the service cost for maintaining a network-based business is the cost of a bandwidth between the business server and the ISP. Therefore, it would have been obvious to one of ordinary skill in the art at

the time of applicant's invention to include the bandwidth fees in the service cost charged to the content owner.

Regardless of the fact that it would have been obvious to one of ordinary skill at the time of the applicant's invention to include bandwidth fees as a service or processing fee deducted from the content provider's account, the Maki reference was cited to further disclose that it is old and well known to charge for network usage (i.e. bandwidth) (C. 1, lines 47-54). Furthermore, "In resolving the question of obviousness under 35 USC 103, we presume full knowledge by the inventor of all the prior art in the field of his endeavor. However, with regard to prior art outside the field of his endeavor, we only presume knowledge from those arts reasonably pertinent to the particular problem with which the inventor was involved. The rationale behind this rule precluding rejections based on combination of teachings of references from nonanalogous arts is the realization that an inventor could not possibly be aware of every teaching in every art. Thus, we attempt to more closely approximate the reality of the circumstances surrounding the making of an invention by only presuming knowledge by the inventor of prior art in the field of his endeavor and in analogous arts. The determination that a reference is from a nonanalogous art is therefore twofold. First, we decide if the reference is within the field of the inventor's endeavor. If it is not, we proceed to determine whether the reference is reasonably pertinent to the particular problem with which the inventor was involved." In re Wood and Eversole, 202 USPQ 171, 174 (CCPA 1979).

Examiner notes that that Vilcauskas et al. reference was cited to disclose charging users (customer or content provider) for the amount of bandwidth used to transfer the file (0040).

Examiner also notes that it is old and well known for ISP to charge customers for the amount of

bandwidth they consume. Therefore, the fee schedule of Vilcauskas et al. which is based upon the amount of bandwidth the user consumes in order to download digital files is equivalent to the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to the consumers through the network.

Thus, the cited prior art references disclose a bandwidth fee charged to the content owners is deducted from the royalties, the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files, where the bandwidth fee is associated with the downloading of a digital file.

In addition, combining prior art elements according to known methods to yield predictable results is old and well known. A finding that the prior art included each element claimed, although not necessarily in a single prior art reference, with the only difference between the claimed invention and the prior art being the lack of actual combination of the elements in a single prior art reference. For example, combining a prior art reference that discloses deducting service fees from a customer's account with a reference that teaches a bandwidth service fee, would have led to a predictable result.


(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

Fadey S. Jabr
Examiner
Art Unit 3628

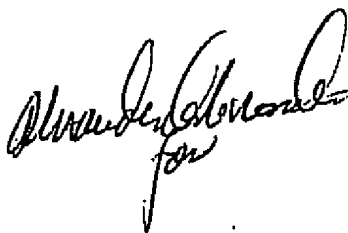

JOHN W. HAYES
SUPERVISORY PATENT EXAMINER

Application/Control Number:
10/991,718
Art Unit: 3628

Page 17

Conferees:

Vincent Millin

A handwritten signature in cursive script, appearing to read "Vincent Millin", with a small "for" written below it.

John W. Hayes

A handwritten signature in cursive script, appearing to read "John W. Hayes".

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Christopher A. Kitze et al.
Serial No. 10/991,718
Filed: 11/17/2004
For: **DIGITAL FILE MARKETPLACE**

Examiner: Fadey S. Jabr
Art Unit: 3628

Mail Stop Appeal Brief – Patents
Commissioner for Patents
PO Box 1450
Alexandria, VA 22313-1450

Sir:

The present **REVISED APPEAL BRIEF** is filed to amend sections (2) RELATED APPEALS AND INTERFERENCES and section (10) RELATED PROCEEDINGS APPENDIX to state that this appeal brief is related to an appeal brief currently pending for Application Serial No. 09/963,812, the parent application. The Appellants have previously paid for the Appeal Brief, so no new fee should be required. If any additional fees are required in association with this appeal brief, the Director is hereby authorized to charge them to Deposit Account 50-1732, and consider this a petition therefor.

REVISED APPEAL BRIEF

(1) REAL PARTY IN INTEREST

The present application is owned by Qurio Holdings, Inc. whose corporate headquarters are 1130 Situs Court, Suite 216, Raleigh, NC 27606.

(2) RELATED APPEALS AND INTERFERENCES

This appeal is related to an appeal currently pending for the parent application, Application Serial No. 09/963,812, entitled METHOD AND SYSTEM FOR GENERATING REVENUE IN A PEER-TO-PEER FILE DELIVERY NETWORK, Attorney Docket Number 1104-032.

(3) STATUS OF CLAIMS

Claims 1, 2, 4-16, 18-30, and 32-41 were rejected with the rejection made final on May 11, 2007.

Claims 3, 17, and 31 were previously cancelled.

Claims 1, 2, 4-16, 18-30, and 32-41 are pending and are the subject of this appeal.

(4) STATUS OF AMENDMENTS

All amendments have been entered to the best of the Appellants' knowledge. No amendments have been filed after the Final Office Action mailed May 11, 2007.

(5) SUMMARY OF CLAIMED SUBJECT MATTER

In the following summary, the Appellants have noted where in the Specification certain subject matter exists. The Appellants wish to point out that these citations are for demonstrative purposes only and that the Specification may include additional discussion of the various elements, citations to which are not pointed out below. Thus, the noted citations are in no way intended to limit the scope of the pending claims.

The present invention relates to a digital marketplace (Figure 1, element 10) where content owners (Figure 1, element 14) upload files (Figure 1, element 12) onto the digital marketplace such that consumers may download the files from the digital marketplace (Specification, p. 5, l. 23 through p. 6, l. 1; see also Figure 1, step 22). When consumers

download files, revenue is generated to compensate the content owner and the provider of the digital marketplace and cover fees associated with downloading the file (Specification, p. 6, ll. 3-9; see also Figure 1, steps 24, 26, and 28). For example, a percentage of the revenue goes to the content owner as royalties (Specification, p. 6, ll. 5-7 and p. 7, ll. 14-15; see also Figure 1, step 28 and Figure 2, step 54). In addition, a bandwidth fee associated with the file download and charged to the content owner is deducted from the royalties (Specification, p. 8, ll. 6-8; see also Figure 2, step 60). Furthermore, the remainder of the revenue goes to the provider of the digital marketplace (Specification, p. 8, ll. 6-8).

Independent claim 1 recites a computer-implemented method for providing a digital file marketplace (Figure 1, element 10) on a network, the method comprising the steps of:

- (a) allowing content owners (Figure 1, element 14) to share digital files (Figure 1, element 12) on the digital file marketplace, the digital files being accessible to consumers (Figure 1, element 16) through the network (Specification, p. 5, ll. 19-20; see also Figure 1, step 20);
- (b) generating revenue through the digital file marketplace including charging the consumers fees for receiving or opening the digital files (Specification, p. 6, ll. 3-4; see also Figure 1, step 26); and
- (c) paying a percentage of the revenue to the content owners as royalties (Specification, p. 6, ll. 5-7 and p. 7, ll. 14-15; see also Figure 1, step 28 and Figure 2, step 54), with a remainder of the revenue going to a provider of the digital file marketplace (Specification, p. 8, ll. 6-8), wherein a bandwidth fee charged to the content owners is deducted from the royalties (Specification, p. 8, ll. 6-8; see also Figure 2, step 60), the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to the consumers through the network (Specification, p. 8, ll. 6-8).

Independent claim 15 recites a computer-readable medium containing programming instructions for providing a digital file marketplace (Figure 1, element 10) on a network, the programming instructions for:

- (a) allowing content owners (Figure 1, element 14) to share digital files (Figure 1, element 12) on the digital file marketplace, the digital files being accessible to consumers (Figure 1, element 16) through the network (Specification, p. 5, ll. 19-20; see also Figure 1, step 20);

(b) generating revenue through the digital file marketplace including charging the consumers fees for receiving or opening the digital files (Specification, p. 6, ll. 3-4; see also Figure 1, step 26); and

(c) paying a percentage of the revenue to the content owners as royalties (Specification, p. 6, ll. 5-7 and p. 7, ll. 14-15; see also Figure 1, step 28 and Figure 2, step 54), with a remainder of the revenue going to a provider of the digital file marketplace (Specification, p. 8, ll. 6-8), wherein a bandwidth fee charged to the content owners is deducted from the royalties (Specification, p. 8, ll. 6-8; see also Figure 2, step 60), the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to the consumers through the network (Specification, p. 8, ll. 6-8).

Independent claim 29 recites a system for providing a digital file marketplace (Figure 1, element 10) on a network comprising:

means for allowing content owners (Figure 1, element 14) to share digital files (Figure 1, element 12) on the digital file marketplace, the digital files being accessible to consumers (Figure 1, element 16) through the network (Specification, p. 5, ll. 19-20; see also Figure 1, step 20);

means for generating revenue through the digital file marketplace including charging the consumers fees for receiving or opening the digital files (Specification, p. 6, ll. 3-4; see also Figure 1, step 26); and

means for paying a percentage of the revenue to the content owners as royalties (Specification, p. 6, ll. 5-7 and p. 7, ll. 14-15; see also Figure 1, step 28 and Figure 2, step 54), with a remainder of the revenue going to a provider of the digital file marketplace (Specification, p. 8, ll. 6-8), wherein a bandwidth fee charged to the content owners is deducted from the royalties (Specification, p. 8, ll. 6-8; see also Figure 2, step 60), the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to the consumers through the network (Specification, p. 8, ll. 6-8).

(6) GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

A. Whether claims 1, 11, 15, 25, 29, and 39 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,282,653 B1 to *Berstis et al.* (hereinafter "*Berstis*") in view of U.S. Patent No. 5,774,654 to *Maki* (hereinafter "*Maki*") and further in view

of U.S. Patent Application Publication No. 2002/0152874 A1 to *Vilcauskas et al.* (hereinafter "*Vilcauskas*").

B. Whether claims 2, 16, and 30 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of U.S. Patent No. 6,961,714 B1 to *LeVine* (hereinafter "*LeVine*") and U.S. Patent No. 5,848,398 to *Martin et al.* (hereinafter "*Martin*").

C. Whether claims 4, 18, and 32 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of U.S. Patent No. 5,825,883 to *Archibald* (hereinafter "*Archibald*").

D. Whether claims 5, 19, and 33 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *LeVine*, *Martin*, and *Archibald*.

E. Whether claim 6, 20, and 34 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Levine*, *Martin*, *Archibald*, and U.S. Patent No. 5,982,891 to *Ginter et al.* (hereinafter "*Ginter*").

F. Whether claims 7, 12, 21, 26, 35, and 40 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of U.S. Patent Application Publication No. 2002/0062290 A1 to *Ricci* (hereinafter "*Ricci*").

G. Whether claims 8-10, 22-24, and 36-38 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Ricci* and U.S. Patent No. 6,041,316 to *Allen* (hereinafter "*Allen*").

H. Whether claims 13, 14, 27, 28, and 41 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Ricci* and U.S. Patent No. 6,381,228 B1 to *Prieto, Jr. et al.* (hereinafter "*Prieto*").

(7) ARGUMENT

A. Introduction

The Patent Office has not shown where all the elements of the claim are shown with sufficient particularity to sustain an obviousness rejection. For example, as will be detailed below, the cited references do not disclose the feature of deducting a bandwidth fee from a royalty where the bandwidth fee is associated with a download of a digital file. Moreover, none

of the cited references, either alone or in combination, disclose that after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace. As such, the Appellants request that the Board reverse the Examiner and instruct the Examiner to allow the claims for these reasons.

B. Summary of the References

1. U.S. Patent No. 6,282,653 B1 To *Berstis*

Berstis relates to managing royalty collection for material distributed over a computer network. (See *Berstis*, col. 1, ll. 8-10). In particular *Berstis* discloses allowing a copyright owner to maintain a degree of control over copyrighted content after the content has been downloaded to a client machine. (See *Berstis*, col. 2, ll. 42-46). Furthermore, *Berstis* discloses adjusting a content provider account for service or processing fees. (See *Berstis*, col. 8, ll. 26-28). *Berstis* does not disclose what type of service or processing fees are deducted from the content provider account. Additionally, nowhere does *Berstis* disclose that a bandwidth fee, which is associated with a particular download and charged to a content owner, is deducted from the content provider account. Furthermore, as correctly acknowledged by the Patent Office, *Berstis* does not disclose that after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace. (See Final Office Action mailed May 11, 2007, p. 7).

2. U.S. Patent No. 5,774,654 To *Maki*

Maki relates to a communication terminal which includes a line that accommodates a plurality of communication channels (See *Maki*, col. 6, ll. 19-20). In addition, *Maki* discloses that the communication terminal calculates a communication time on the basis of an amount of transmission data and a number of channels (See *Maki*, col. 1, ll. 49-51). Nevertheless, *Maki* does not disclose deducting a bandwidth fee from a royalty where the bandwidth fee is associated with a download of a digital file. In addition, *Maki* does not disclose that after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

3. U.S. Patent Application Publication No. 2002/0152874 A1 To *Vilcauskas*

Vilcauskas relates to a system for providing music (*See Vilcauskas*, paragraph 0001). More specifically, *Vilcauskas* discloses a music system having a system and user who obtains songs from the server (*See Vilcauskas*, claim 1). In the system disclosed in *Vilcauskas*, the user has access to audio files based on a membership or fee-based subscription service where the user may purchase a compact disc at retail, or other suitable, price (*See Vilcauskas*, paragraphs 0027 and 0043). Moreover, *Vilcauskas* discloses that a service provider can adjust the fee schedule charged to the user who is purchasing the songs based upon the bandwidth that will be used. (*See Vilcauskas*, paragraph 0040). However, *Vilcauskas* does not teach or suggest charging a bandwidth fee to a content owner. *Vilcauskas* merely states that the service provider can adjust the fee schedule based upon the bandwidth the user will be using to download the songs. (*See Vilcauskas*, paragraph 0040). In other words, *Vilcauskas* allows the service provider to set the fee based on the amount of bandwidth, but the service provider does not necessarily charge a fee corresponding to the cost of the required bandwidth. In addition, *Vilcauskas* adjusts the fees charged to a single user based on the amount of bandwidth used by that single user, whereas the claimed invention recites charging the content owner a bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to multiple users throughout the network. Similarly, *Vilcauskas* does not disclose that a bandwidth fee, which is associated with a particular download, is deducted from a royalty. Thus, *Vilcauskas* does not disclose the feature of deducting a bandwidth fee from a royalty where the bandwidth fee is associated with a download of a digital file. Likewise, *Vilcauskas* does not disclose that, after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

4. U.S. Patent No. 6,961,714 B1 To *LeVine*

LeVine relates to a method of calculating royalty owner rights. (*See LeVine*, col. 1, ll. 6-7). Particularly, *LeVine* discloses a method of maintaining a registry of users and a database of materials provided to the users. (*See LeVine*, col. 16, ll. 21-23). Furthermore, *LeVine* discloses computing royalty owner rights from the database for at least one of the materials maintained in the database. (*See LeVine*, col. 16, ll. 37-39). Nonetheless, *Levine* does not disclose deducting a bandwidth fee from royalty owner rights where the bandwidth fee is associated with a download of the material from the database. In a similar fashion, *LeVine* does not disclose that after

royalty owner rights have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

5. U.S. Patent No. 5,848,398 To *Martin*

Martin relates to managing a plurality of computer jukeboxes from a remote location. (See *Martin*, col. 1, ll. 12-14). More specifically, *Martin* discloses a computer jukebox which stores advertisements and data representing when the advertisements are run. (See *Martin*, col. 9, ll. 49-53). However, *Martin* does not disclose deducting a bandwidth fee from a royalty where the bandwidth fee is associated with a download of a digital file. In addition, *Martin* does not disclose that after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

6. U.S. Patent No. 5,825,883 To *Archibald*

Archibald discloses generating accounting data for use in a communication network. (See *Archibald*, col. 20, ll. 57-58). More specifically, *Archibald* discloses embedding a tariff file within a digital application. (See *Archibald*, Abstract). According to *Archibald*, a meter module generates accounting data using the embedded tariff file. (See *Archibald*, Abstract). However, while *Archibald* discloses generating accounting data, *Archibald* does not disclose deducting a bandwidth fee associated with a download of the digital application from a royalty. Moreover, *Archibald* does not disclose that, after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

7. U.S. Patent No. 5,982,891 To *Ginter*

Ginter generally relates to secure transaction management. (See *Ginter*, col. 1, ll. 12-13). In particular, *Ginter* discloses a virtual distribution environment which may be used to protect the rights of participants in electronic commerce and other electronic transactions. (See *Ginter*, Abstract). *Ginter* discloses establishing controls between first, second and third parties thereby forming a control arrangement. (See *Ginter*, col. 320, ll. 19-24). In addition, *Ginter* discloses that secure transactions are performed using the control arrangement. (See *Ginter*, col. 320, ll. 24-31). In spite of disclosing securing transactions between various parties over a virtual distribution environment, *Ginter* does not disclose deducting a bandwidth fee associated with a

download of a digital application from a royalty. Similarly, *Ginter* does not disclose that, after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

8. U.S. Patent Application Publication No. 2002/0062290 A1 To Ricci

Ricci discloses distributing digital files across a network and licensing the distributed digital files. (See *Ricci*, paragraph 0003). In particular, *Ricci* discloses a method which ensures that a user will pay an owner an appropriate royalty. (See *Ricci*, paragraph 0022). *Ricci* accomplishes this goal by first allowing a user to download content from a server. (See *Ricci*, paragraph 0021). *Ricci* then discloses that the server records information pertaining to the user and the digital content the user downloaded. (See *Ricci*, paragraph 0021). However, nowhere does *Ricci* mention anything about bandwidth fees, much less deducting a bandwidth fee associated with downloaded content from a royalty. Similarly, *Ricci* does not disclose that after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

9. U.S. Patent No. 6,041,316 To Allen

Allen relates to a method for ensuring the payment of royalties for copyrighted data which is delivered over a communication network. (See *Allen*, col. 1, ll. 10-12). Particularly, *Allen* discloses that a partially degraded version of data, which is substantially recognizable, is transmitted to a user when a user has not paid a royalty. (See *Allen*, col. 2, ll. 33-48). When the user pays a royalty, *Allen* discloses that a higher quality version of the data is transmitted to the user. (See *Allen*, col. 2, ll. 38-51). However, *Allen* makes no mention of bandwidth fees nor does *Allen* disclose deducting a bandwidth fee associated with downloaded content from a royalty. Likewise, *Allen* does not disclose that after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

10. U.S. Patent No. 6,381,228 B1 To Prieto

Prieto relates to a protocol for use in connection with a processing satellite communications network that allows multiple users to efficiently use a common uplink transmission resource. (See *Prieto*, col. 1, ll. 11-14). *Prieto* discloses a terminal which transmits

a reservation request to a satellite where the request bids on an available time slot to transmit data. (See *Prieto*, col. 12, ll. 40-48). In addition, *Prieto* discloses a processor disposed on the satellite which determines whether or not to grant or deny the request. (See *Prieto*, col. 12, ll. 54-58). *Prieto* does not disclose bandwidth fees nor does the reference disclose deducting a bandwidth fee associated with downloaded content from a royalty. Likewise, *Prieto* does not disclose that after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

C. Legal Standards for Establishing Obviousness

Section 103(a) of the Patent Act provides the statutory basis for an obviousness rejection and reads as follows:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Courts have interpreted 35 U.S.C. § 103(a) as a question of law based on underlying facts. As the Federal Circuit stated:

Obviousness is ultimately a determination of law based on underlying determinations of fact. These underlying factual determinations include: (1) the scope and content of the prior art; (2) the level of ordinary skill in the art; (3) the differences between the claimed invention and the prior art; and (4) the extent of any proffered objective indicia of nonobviousness.

Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH, 45 U.S.P.Q.2d (BNA) 1977, 1981 (Fed. Cir. 1998) (internal citations omitted).

Once the scope of the prior art is ascertained, the content of the prior art must be properly combined. “Often, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demand known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue. To facilitate review, this analysis should be made explicit. See *In re Kahn*, 441 F. 3d 977, 988 (CA Fed. 2006) (“[R]ejections on obviousness grounds cannot be

sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”).” *KSR Int’l v. Teleflex, Inc.*, No. 04-1350, slip op. at 14 (U.S., Apr. 30, 2007).

Some elements may be inherent within the reference. “To establish inherency, the extrinsic evidence ‘must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill.’” *In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999) (quoting *Cont’l Can Co. v. Monsanto Co.*, 948 F.2d 1264, 1268 (Fed. Cir. 1991)). “The mere fact that a certain thing may result from a given set of circumstances is not sufficient.” *Id.* (citation and quotation omitted). Thus, the possibility that an element may be derived from the reference is insufficient to establish that said element is inherent to the reference.

Whether an element is implicitly or explicitly taught by a reference or combination of references is open to interpretation. While the Patent Office is entitled to give claim terms their broadest reasonable interpretation, this interpretation is limited by a number of factors. First, the interpretation must be consistent with the specification. *In re Hyatt*, 211 F.3d 1367, 1372 (Fed. Cir. 2000); MPEP § 2111. Second, the broadest reasonable interpretation of the claims must also be consistent with the interpretation that those skilled in the art would reach. *In re Cortright*, 165 F.3d 1353, 1359, (Fed. Cir. 1999); MPEP § 2111. Finally, the interpretation must be reasonable. *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1369 (Fed. Cir. 2004); MPEP § 2111.01. This means that the words of the claim must be given their plain meaning unless Appellant has provided a clear definition in the specification. *In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989).

If a claim element is missing after the combination is made, then the combination does not render obvious the claimed invention, and the claims are allowable. As stated by the Federal Circuit, “[if] the PTO fails to meet this burden, then the Appellant is entitled to the patent.” *In re Glaug*, 283 F.3d 1335, 1338 (Fed. Cir. 2002).

D. Claims 1, 2, 4-16, 18-30, And 32-41 Are Patentable Over The Cited References

1. None Of The Cited References, Either Alone Or In Combination, Disclose That A Bandwidth Fee Which Is Associated With A Download Of A Digital File And Charged To A Content Owner Is Deducted From A Royalty

Claims 1, 11, 15, 25, 29, and 39 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and further in view of U.S. Patent Application *Vilcauskas*. The Appellants respectfully traverse the rejection.

According to Chapter 2143.03 of the M.P.E.P., in order to establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught by the prior art. The Appellants submit that none of the references, either singularly or in combination, disclose all the features recited in claims 1, 11, 15, 25, 29, and 39. More specifically, claim 1 recites a method for providing a digital file marketplace comprising, among other features, paying royalties to an owner where "a bandwidth fee charged to the content owners is deducted from the royalties, the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files." Claims 15 and 29 include similar features. The Appellants submit that none of the references, either alone or in combination, disclose that a bandwidth fee which is associated with a download of a digital file and charged to a content owner is deducted from a royalty. In maintaining the rejection, the Patent Office asserts that it has been held that payment schemes are not patentably distinct and proffers various scenarios which, according to the Patent Office, are not patentably distinct (*See* Final Office Action mailed May 11, 2007, p. 2). First, the Appellants wish to point out that the Patent Office does not give any citations, to either case law or the M.P.E.P., indicating where it has been held that payment schemes are not patentably distinct. In fact, the Appellants have searched both the case law and the M.P.E.P. and submit that nowhere does either comport with these assertions.

Second, the various scenarios described by the Patent Office are not related to the present invention. Particularly, the Patent Office opines that a digital marketplace that charges content owners bandwidth fees for each specific file download is not patentably distinct from a digital file marketplace that charges content owners bandwidth fees for every ten file downloads. (*See* Final Office Action mailed May 11, 2007, p. 2). The Patent Office proceeds to state that a digital marketplace that charges a user for every downloaded file is not patentably distinct from a marketplace that charges a user a subscription fee where the user can download several items for

one monthly payment. (See Final Office Action mailed May 11, 2007, pp. 2 and 3). Again, the Patent Office has not provided any citations to support these scenarios. That problem notwithstanding, even assuming *arguendo* that these scenarios are not patentable, the Appellants submit that the recitation in the present claims is vastly different from the scenarios proffered in the Final Office Action mailed May 11, 2007. As mentioned above, the present claims recite that a bandwidth fee which is associated with a download of a digital file and charged to a content owner is deducted from a royalty. The Appellants submit that the scenarios described by the Patent Office relate to the frequency with which a party is charged a fee. The Appellants are not claiming the frequency with which a party is charged a fee. Instead, the Appellants are claiming that a bandwidth fee is deducted from a royalty.

In maintaining the rejection, the Patent Office also states that *Berstis* discloses the feature of deducting a bandwidth fee associated with a download of a digital file from a royalty in col. 8, ll. 17-28, ll. 36-39 and ll. 47-50. (See Final Office Action mailed May 11, 2007, p. 3). It should be noted that further on in the Final Office Action mailed May 11, 2007, the Patent Office states *Berstis* fails to explicitly disclose "a bandwidth fee charged to the content owners is deducted from the royalties." (See Final Office Action mailed May 11, 2007, p. 7). This inconsistency aside, at most, the cited portions of *Berstis* disclose that a content provider account is adjusted for service or processing fees. (See *Berstis*, col. 8, ll. 26-28). However, as acknowledged by the Patent Office, nowhere does *Berstis* disclose that the service or processing fees correspond to a bandwidth fee which is associated with a particular download. (See Advisory Action mailed August 3, 2007, p. 2). Furthermore, nowhere does the cited portion of *Berstis* disclose deducting a bandwidth fee which is associated with a particular download of a digital file, and which is charged to a content owner, from a royalty. Similarly, *Maki* does not disclose this feature. Regarding *Vilcauskas*, while the reference does disclose a fee schedule based on the bandwidth of a file transfer, *Vilcauskas* does not disclose that a bandwidth fee associated with a download of a digital file which is charged to a content owner is deducted from a royalty. (See *Vilcauskas*, paragraph 0040).

2. None Of The Cited References, Either Alone Or In Combination, Disclose That After Royalties Have Been Paid To A Content Owner, A Remainder Of Revenue Goes To A Provider Of A Digital File Marketplace

Claim 1 also recites paying a percentage of revenue to content owners as royalties, with “a remainder of the revenue” going to a provider of the digital file marketplace. The Appellants submit that none of the references, either alone or in combination, disclose that after royalties have been paid to a content owner, a remainder of revenue goes to a provider of a digital file marketplace. As correctly pointed out by the Patent Office, *Berstis* does not disclose this feature. (See Final Office Action mailed May 11, 2007, p. 7).

Similarly, *Maki* does not disclose this feature. Nevertheless, the Patent Office supports the rejection by asserting that *Maki* discloses calculating a usage for a communication line on the basis of charge information associated with the communication time and line at col. 1, ll. 47-54. (See Office Action mailed June 13, 2006, p. 4). The Appellants respectfully disagree. At most, *Maki* discloses a means for calculating a communication time on the basis of an amount of transmission data and a means for calculating a usage for a line. (See *Maki*, col. 2, ll. 48-51). Moreover, *Maki* teaches that the cost for line usage of a communication line for a particular time can be calculated and that the number of communication lines can be selected on the basis of the calculated cost (See *Maki*, col. 5, ll. 23-67). However, *Maki* does not disclose that a remainder of revenue goes to a provider of a digital marketplace.

Vilcauskas also does not disclose that after royalties have been paid to a content owner, a remainder of revenue goes to a provider of a digital file marketplace. As mentioned above, at most *Vilcauskas* discloses a fee schedule based upon the bandwidth for a file transfer. However, *Vilcauskas* does not disclose that a remainder of revenue, after royalties have been paid from the revenue, goes to a provider of a digital marketplace. Therefore, none of the references, either singularly or in combination, disclose all the features recited in claims 1, 15, and 29 and the Appellants respectfully request that the rejection be withdrawn. Likewise, claims 11, 25, and 39, which variously depend from claims 1, 15, and 29, are patentable for at least the same reasons along with the additional novel features recited therein.

3. Claims 2, 16, And 30 Are Patentable Over The Cited References

Claims 2, 16, and 30 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *LeVine* and *Martin*. The

Appellants respectfully traverse the rejection. As detailed above, neither *Berstis*, *Maki*, nor *Vilcauskas*, either singularly or in combination, discloses all the features recited in claims 1, 15, and 29, the base claims from which claims 2, 16, and 30 respectively depend. In addition, neither *Martin* nor *LeVine*, either singularly or in combination, overcomes the previously noted shortcomings of *Berstis*, *Maki*, and *Vilcauskas*. Accordingly, claims 2, 16, and 30 are patentable over the cited references.

4. Claims 4, 18, And 32 Are Patentable Over The Cited References

Claims 4, 18, and 32 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Archibald*. The Appellants respectfully traverse the rejection. As outlined above, neither *Berstis*, *Maki*, nor *Vilcauskas*, either singularly or in combination, discloses all the features recited in claims 1, 15, and 29, the base claims from which claims 4, 18, and 32 respectively depend. In addition, *Archibald* does not address the problems of *Berstis*, *Maki*, and *Vilcauskas* discussed above. As such, claims 4, 18, and 32 are patentable over the cited references.

5. Claims 5, 19, And 33 Are Patentable Over The Cited References

Claims 5, 19, and 33 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *LeVine*, *Martin*, and *Archibald*. The Appellants respectfully traverse the rejection. As illustrated above, neither *Berstis*, *Maki*, nor *Vilcauskas*, either singularly or in combination, discloses all the features recited in claims 1, 15, and 29, the base claims from which claims 5, 19, and 33 respectively depend. Similarly, as mentioned above, neither *LeVine*, *Martin*, nor *Archibald*, either singularly or in combination, overcomes the previously noted shortcomings of *Berstis*, *Maki*, and *Vilcauskas*. Thus, claims 5, 19, and 33 are patentable over the cited references.

6. Claims 6, 20, And 34 Are Patentable Over The Cited References

Claims 6, 20, and 34 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Levine*, *Martin*, *Archibald*, and *Ginter*. The Appellants respectfully traverse the rejection. As outlined above, neither *Berstis*, *Maki*, *Vilcauskas*, *Levine*, *Martin*, nor *Archibald*, either singularly or in combination, discloses

all the features recited in claims 1, 15, and 29, the base claims from which claims 6, 20, and 34 respectively depend. Moreover, *Ginter* does not overcome the previously noted shortcomings of *Berstis*, *Maki*, *Vilcauskas*, *Levine*, *Martin*, or *Archibald*. Therefore, claims 6, 20, and 34 are patentable over the cited references.

7. Claims 7, 12, 21, 26, 35, And 40 Are Patentable Over The Cited References

Claims 7, 12, 21, 26, 35, and 40 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Ricci*. The Appellants respectfully traverse the rejection. As shown above, neither *Berstis*, *Maki*, nor *Vilcauskas*, either singularly or in combination, discloses all the features recited in claims 1, 15, and 29, the base claims from which claims 7, 12, 21, 26, 35, and 40 variously depend. In addition, *Ricci* does not overcome the previously noted shortcomings of *Berstis*, *Maki*, and *Vilcauskas*. As such, claims 7, 12, 21, 26, 35, and 40 are patentable over the cited references.

8. Claims 8-10, 22-24, And 36-38 Are Patentable Over The Cited References

Claims 8-10, 22-24, and 36-38 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Ricci* and *Allen*. The Appellants respectfully traverse the rejection. As indicated above, *Berstis*, *Maki*, *Vilcauskas*, and *Ricci* do not disclose all the features recited in claims 1, 15, 29, the base claims from which claims 8-10, 22-24, and 36-38 variously depend. Furthermore, *Allen* does not address the previously noted shortcomings of *Berstis*, *Maki*, *Vilcauskas*, and *Ricci*. Thus, claims 8-10, 22-24, and 36-38 are patentable over the cited references.

9. Claims 13, 14, 27, 28, And 41 Are Patentable Over The Cited References

Claims 13, 14, 27, 28, and 41 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Ricci* and *Prieto*. The Appellants respectfully traverse the rejection. As detailed above, *Berstis*, *Maki*, *Vilcauskas*, and *Ricci* do not disclose all the features recited in claims 1, 15, and 29, the base claims from which claims 13, 14, 27, 28, and 41 variously depend. Moreover, *Prieto* does not

address the problems associated with *Berstis*, *Maki*, *Vilcauskas*, and *Ricci*. As such, claims 13, 14, 27, 28, and 41 are patentable over the cited references.

J. Conclusion

As set forth above, none of the cited references, either alone or in combination, disclose the feature of deducting a bandwidth fee from a royalty where the bandwidth fee is associated with a download of a digital file. Additionally, none of the cited references, either alone or in combination, disclose that after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace. As such, the Appellants request that the Board reverse the Examiner and instruct the Examiner to allow the claims.

Respectfully submitted,
WITHROW & TERRANOVA, P.L.L.C.

By:



Anthony J. Josephson
Registration No. 45,742
100 Regency Forest Drive, Suite 160
Cary, NC 27518
Telephone: (919) 238-2300

Date: November 15, 2007
Attorney Docket: 1104-033

(8) CLAIMS APPENDIX

1. A computer-implemented method for providing a digital file marketplace on a network, the method comprising the steps of:
 - (a) allowing content owners to share digital files on the digital file marketplace, the digital files being accessible to consumers through the network;
 - (b) generating revenue through the digital file marketplace including charging the consumers fees for receiving or opening the digital files; and
 - (c) paying a percentage of the revenue to the content owners as royalties, with a remainder of the revenue going to a provider of the digital file marketplace, wherein a bandwidth fee charged to the content owners is deducted from the royalties, the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to the consumers through the network.
2. The method of claim 1, wherein step (c) further includes the steps of:
 - (i) calculating a royalty pool over a predetermined period of time; and
 - (ii) calculating a royalty payment for each content owner by dividing the royalty pool by a number of content owners participating during the predetermined time period based on actual consumption of digital files associated with each content owner.
3. (Cancelled).
4. The method of claim 1, wherein step (c) further includes the step of:
 - (iv) providing each content owner with a choice of receiving a corresponding royalty payment as a credit charged to a credit card account, or as a check mailed to an address of record.
5. The method of claim 2, wherein step (c)(i) further includes the step of calculating the royalty pool on one of a daily, weekly, or monthly basis.

6. The method of claim 2, wherein step (c)(ii) further includes defining consumption as at least one of a number of digital files delivered, a total size of a digital file delivered, or money per digital file paid for a digital file by a consumer.
7. The method of claim 1, wherein the network includes at least one server node and multiple client nodes, step (b) further including the steps of:
 - (i) enabling peer-to-peer file sharing of content including,
 - (1) initiating on one client node a download of a particular content item served from the server node or another client node, and
 - (2) charging a fee based on a quantity of the content served.
8. The method of claim 7, wherein step (b) further includes the step of:
 - (ii) enabling decentralized downloads of subscription-based content including,
 - (1) allowing the client nodes to subscribe to one or more of the subscription-based content,
 - (2) periodically sending the subscription-based content to each of the respective subscribing client nodes, and
 - (3) charging a fee to providers of the subscription-based content for serving the subscription-based content.
9. The method of claim 7, wherein the content includes free content and fee-based content, step(b)(i)(2) further including the steps of:
 1. charging a fee from a provider of the free content for serving the free content, and
 2. charging a fee from a user receiving the fee-based content.
10. The method of claim 8, wherein the subscription-based content includes free content and fee-based content, step(b)(ii)(3) further including the step of: charging a fee from a consumer of the subscribing client nodes for receiving the fee-based content.

11. The method of claim 1, further including the step of implementing the digital file marketplace as a website.

12. The method of claim 1, further including the step of implementing the digital file marketplace as a peer-to-peer network.

13. The method of claim 13, further including the step of:

(d) allowing consumers to become affiliates of the digital file marketplace where unused bandwidth of a given computer of a consumer is used to deliver a digital file to other consumers, and paying the affiliates of the network as an incentive for donating the unused bandwidth to the network.

14. The method of claim 13, further including the step of paying the affiliates for referring new consumers to the network.

15. A computer-readable medium containing programming instructions for providing an digital file marketplace on a network, the programming instructions for:

(a) allowing content owners to share digital files on the digital file marketplace, the digital files being accessible to consumers through the network;

(b) generating revenue through the digital file marketplace including charging the consumers fees for receiving or opening the digital files; and

(c) paying a percentage of the revenue to the content owners as royalties, with a remainder of the revenue going to a provider of the digital file marketplace, wherein a bandwidth fee charged to the content owners is deducted from the royalties, the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to the consumers through the network.

16. The computer-readable medium of claim 15, wherein instruction (c) further includes the instructions of:

(i) calculating a royalty pool over a predetermined period of time; and

(ii) calculating a royalty payment for each content owner by dividing the royalty pool by a number of content owners participating during the predetermined time period based on actual consumption of digital files associated with each content owner.

17. (Cancelled).

18. The computer-readable medium of claim 15, wherein instruction (c) further includes the instruction of:

(iv) providing each content owner with a choice of receiving a corresponding royalty payment as a credit charged to a credit card account, or as a check mailed to an address of record.

19. The computer-readable medium of claim 16, wherein instruction (c)(i) further includes the instruction of calculating the royalty pool on one of a daily, weekly, or monthly basis.

20. The computer-readable medium of claim 16, wherein instruction (c)(ii) further includes an instruction of defining consumption as at least one of a number of digital files delivered, a total size of a digital file delivered, or money per digital file paid for a digital file by a consumer.

21. The computer-readable medium of claim 15, wherein the network includes at least one server node and multiple client nodes, instruction (b) further including the instructions of:

(i) enabling peer-to-peer file sharing of content including,

(1) initiating on one client node a download of a particular content item served from the server node or another client node, and

(2) charging a fee based on a quantity of the content served.

22. The computer-readable medium of claim 21, wherein instruction (b) further includes the instruction of:

(i) enabling decentralized downloads of subscription-based content including,

(1) allowing the client nodes to subscribe to one or more of the subscription-based content,

(2) periodically sending the subscription-based content to each of the respective subscribing client nodes, and

(3) charging a fee to providers of the subscription-based content for serving the subscription-based content.

23. The computer-readable medium of claim 21, wherein the content includes free content and fee-based content, instruction(b)(i)(2) further including the instructions of:

1. charging a fee from a provider of the free content for serving the free content, and
2. charging a fee from a user receiving the fee-based content.

24. The computer-readable medium of claim 22, wherein the subscription-based content includes free content and fee-based content, instruction (b)(ii)(3) further including the instruction of: charging a fee from a consumer of the subscribing client nodes for receiving the fee-based content.

25. The computer-readable medium of claim 15, further including the step of implementing the marketplace as a website.

26. The computer-readable medium of claim 15, further including the step of implementing the marketplace as a peer-to-peer network.

27. The computer-readable medium of claim 26 further including the instruction of:

(d) allowing consumers to become affiliates of the digital file marketplace where unused bandwidth of a given computer of a consumer is used to deliver a digital file to other consumers, and paying the affiliates of the network as an incentive for donating the unused bandwidth to the network.

28. The computer-readable medium of claim 27, further including the step of paying the affiliates for referring new consumers to the network.

29. A system for providing a digital file marketplace on a network comprising:
means for allowing content owners to share digital files on the digital file marketplace, the digital files being accessible to consumers through the network;
means for generating revenue through the digital file marketplace including charging the consumers fees for receiving or opening the digital files; and
means for paying a percentage of the revenue to the content owners as royalties, with a remainder of the revenue going to a provider of the digital file marketplace, wherein a bandwidth fee charged to the content owners is deducted from the royalties, the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to the consumers through the network.
30. The system of claim 29, wherein the means for paying royalties further includes calculating a royalty pool over a predetermined period of time, and calculating a royalty payment for each content owner by dividing the royalty pool by a number of content owners participating during the predetermined time period based on actual consumption of digital files associated with each content owner.
31. (Cancelled).
32. The system of claim 29, wherein the means for paying royalties further includes providing each content owner with a choice of receiving a corresponding royalty payment as a credit charged to a credit card account, or as a check mailed to an address of record.
33. The system of claim 30, wherein the royalty pool is calculated on one of a daily, weekly, or monthly basis.
34. The system of claim 30, wherein consumption is defined as at least one of a number of digital files delivered, a total size of a digital file delivered, or money per digital file paid for a digital file by a consumer.

35. The system of claim 29, wherein the network includes at least one server node and multiple client nodes, and peer-to-peer file sharing of content is enabled by initiating on one client node a download of a particular content item served from the server node or another client node, and charging a fee based on a quantity of the content served.

36. The system of claim 35, wherein the means for generating revenue includes enabling decentralized downloads of subscription-based content including,

- (1) allowing the client nodes to subscribe to one or more of the subscription-based content,
- (2) periodically sending the subscription-based content to each of the respective subscribing client nodes, and
- (3) charging a fee to providers of the subscription-based content for serving the subscription-based content.

37. The system of claim 35, wherein the content includes free content and fee-based content, and wherein a fee is charged to a provider of the free content for serving the free content, and a fee is charge to a user receiving the fee-based content.

38. The system of claim 36, wherein the subscription-based content includes free content and fee-based content, and wherein a fee is charged to a consumer of the subscribing client nodes for receiving the fee-based content.

39. The system of claim 29, further including the step of implementing the digital file marketplace as a website.

40. The system of claim 29, further including the step of implementing the digital file marketplace as a peer-to-peer network.

41. The system of claim 40, further including means for allowing consumers to become affiliates of the digital file marketplace where unused bandwidth of a given computer of a

consumer is used to deliver a digital file to other consumers, and paying the affiliates of the network as an incentive for donating the unused bandwidth to the network.

(9) EVIDENCE APPENDIX

The Appellants rely on no evidence, thus this appendix is not applicable.

(10) RELATED PROCEEDINGS APPENDIX

This revised appeal is related to an appeal currently pending for the parent application, Application Serial No. 09/963,812, entitled METHOD AND SYSTEM FOR GENERATING REVENUE IN A PEER-TO-PEER FILE DELIVERY NETWORK, Attorney Docket Number 1104-032. The Appellants attach herewith as Appendix A, a copy of the Appeal Brief filed December 6, 2006, the Examiner's Answer mailed February 27, 2007, the Reply Brief filed April 24, 2007, an Order Returning Undocketed Appeal to Examiner mailed October 5, 2007, and the Revised Examiner's Answer mailed October 30, 2007 for parent Application Serial No. 09/963,812. No decisions have been rendered in the related appeal for parent Application Serial No. 09/963,812 as of the filing date of this revised appeal brief.

Appendix A

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Jorg G. Schleicher
Serial No. 09/963,812
Filed: 09/26/2001

Examiner: Fadey S. Jabr
Art Unit: 3639

For: **METHOD AND SYSTEM FOR GENERATING REVENUE IN A PEER-TO-PEER
FILE DELIVERY NETWORK**

Mail Stop Appeal Brief – Patents
Commissioner for Patents
PO Box 1450
Alexandria, VA 22313-1450

Sir:

An **APPEAL BRIEF** is filed herewith. Appellant also encloses a payment in the amount of \$1520.00 to cover the fee associated with this appeal brief as required by 37 C.F.R. § 1.17(c) and the fee associated with a three-month extension of time. If any additional fees are required in association with this appeal brief, the Director is hereby authorized to charge them to Deposit Account 50-1732, and consider this a petition therefor.

APPEAL BRIEF

(1) REAL PARTY IN INTEREST

The real party in interest is the assignee of record, i.e., Qurio Holdings, Inc. of 1130 Situs Court, Suite 216, Raleigh, NC 27606.

(2) RELATED APPEALS AND INTERFERENCES

There are no related appeals or interferences to the best of Appellant's knowledge.

(3) STATUS OF CLAIMS

Claims 1-27 were rejected with the rejection made final on March 8, 2006.

Claims 28 and 29 were added by amendment in response to the initial non-final office action (see Appellant's Office Action Response transmitted January 6, 2006), but were not addressed in the Final Office Action mailed March 8, 2006 or in the Advisory Action mailed June 6, 2006.

Claims 1-27 are pending and are the subject of this appeal. However, Appellant respectfully submits that claims 28 and 29, which were added by amendment in Appellant's

Office Action Response transmitted January 6, 2006, should also be pending, given that claims 28 and 29 were added prior to a final Office Action.

(4) STATUS OF AMENDMENTS

The Advisory Action mailed June 6, 2006 indicates that the only claims 1-27 were rejected. Claims 28 and 29, which were added in Appellant's Office Action Response transmitted January 6, 2006, have apparently not been entered. As mentioned above, claims 28 and 29 were added by amendment in Appellant's Office Action Response transmitted January 6, 2006. Claims 28 and 29 correspond to claims 9 and 27 but without the means plus function language. Appellant respectfully requests that claims 28 and 29 be added for purposes of the appeal since they were added prior to the final office action and are similar to claims already in the appeal.

(5) SUMMARY OF CLAIMED SUBJECT MATTER

The present invention provides a method and system for generating revenue in a peer-to-peer file delivery network. The method and system include enabling peer-to-peer file sharing of content by initiating, on one client node, a download of a particular content item served from the server node or another client node, and then charging a fee based on a quantity of the content served (Specification, p. 4, lines 19-23). The method and system further include enabling decentralized downloads of subscription-based content. The decentralized downloads are provided by allowing the client nodes to subscribe to one or more of the subscription-based content, periodically sending the subscribed to subscription-based content to each the respective subscribing client nodes, and then charging a fee to providers of the subscription-based content for serving the subscription-based content (Specification, p. 5, lines 1-6).

Another aspect of the present invention includes providing direct marketing wherein users on the network are targeted with direct marketing material and providers of the marketing content are charged for the service (Specification, p. 5, lines 8-10). A further aspect of the present invention includes enabling client nodes to become affiliate servers nodes that deliver content to other client nodes, thus taking advantage of idle bandwidth (Specification, p 5, lines 10-13). As an incentive, the owners of the affiliate servers may be paid a percentage of the fee charged for serving the files to the other client nodes (Specification, p 5, lines 13-14).

In particular, claim 1 recites a method for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), the peer-to-peer file delivery network including at least one server node (such as server node 12, Figure 1A; see also Figure 1B) and multiple client nodes (such as client nodes 14, Figure 1A), the method comprising the steps of:

(a) enabling peer-to-peer file sharing of content (Specification, p. 9, lines 1-2; see also Figure 2, step 42) by,

(i) initiating on one client node a download of a particular content item served from the server node or another client node (Specification, p. 4, lines 20-22, p. 9, lines 3-7), and

(ii) charging a fee based on a quantity of content served related to the particular content item (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152); and

(b) enabling decentralized downloads of subscription-based content (Specification, p. 5, line 1, p. 9, lines 14-15, see also Figure 2, step 46) by

(i) allowing client nodes of the multiple client nodes to subscribe to the subscription-based content (Specification, p. 5, lines 2-3, p. 9, lines 16-17; see also Figure 3A, steps 100 and 102)

i) periodically sending the subscription-based content to each respective subscribing client node (Specification, p. 5, lines 3-5, p. 9, lines 17-19; see also Figure 3D, steps 140 and 148), and

(iii) charging a fee to providers of the subscription-based content for serving the subscription-based content (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48).

Claim 9 recites a system for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), the peer-to-peer file delivery network including at least one server node (such as server node 12, Figure 1A; see also Figure 1B) and multiple client nodes (such as client nodes 14, Figure 1A), the system comprising:

means for enabling peer-to-peer file sharing of content (Specification, p. 9, lines 1-2; see also Figure 2, step 42) whereby one client node initiates a download of a particular content item served from the server node or another client node (Specification, p. 4, lines 20-22, p. 9, lines 3-7), and wherein a fee is charged based on a quantity of content served related to the particular

content item (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152); and

means for enabling decentralized downloads of subscription-based content that client nodes of the multiple client nodes subscribe to in order to receive periodic updates (Specification, p. 5, lines 1-5, p. 9, lines 14-19, see also Figure 2, step 46, Figure 3D, steps 140 and 148), wherein a fee is charged to providers of subscription-based content for serving the subscription-based content to the client nodes (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48).

The means for enabling peer-to-peer file sharing of content is a client node (such as client node 14 with a client application 22, see Specification, p. 8, lines 1-5; Figure 1A) and at least one server node (such as server node 12) with at least one database (Specification, p. 11, line 21 through p. 12, line 8; see also Figure 1B). The means for enabling decentralized downloads of subscription-based content is the server node.

Claim 17 recites a computer-readable medium containing program instructions for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), the peer-to-peer file delivery network including at least one server node (such as server node 12, Figure 1A; see also Figure 1B) and multiple client nodes (such as client nodes 14, Figure 1A), the program instructions for:

(a) enabling peer-to-peer file sharing of content (Specification, p. 9, lines 1-2; see also Figure 2, step 42) by,

(i) initiating on one client node a download of a particular content item served from the server node or another client node (Specification, p. 4, lines 20-22, p. 9, lines 3-7), and

(ii) charging a fee based on a quantity of content served related to the particular content item (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152); and

(b) enabling decentralized downloads of subscription-based content by

(i) allowing client nodes of the multiple client nodes to subscribe to subscription-based content (Specification, p. 5, line 1, p. 9, lines 14-15, see also Figure 2, step 46),

(ii) periodically sending the subscription-based content to each respective subscribing client node (Specification, p. 5, lines 3-5, p. 9, lines 17-19; see also Figure 3D, steps 140 and 148), and

(iii) charging a fee to providers of the subscription-based content for serving the subscription-based content (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48).

Claim 25 recites a method for providing subscription-based decentralized file downloads to client nodes (such as client nodes 14, Figure 1A) in a peer-to-peer public network (such as network 10, Figure 1A), each of the client nodes affiliated with a user account, the method comprising the steps of:

(a) receiving content files (such as files 20a and 20b, Figure 1B) from at least one content provider, the content including free subscription content files, fee-based subscription content files, and marketing content files (Specification, p. 19, lines 1-12);

(b) allowing the client nodes to subscribe to particular content files (Specification, p. 19, lines 1-4; Figure 3D, step 140);

(c) periodically delivering the particular content files to respective clients nodes that subscribed to the particular content files (Specification, p. 5, lines 5-6, p. 9, lines 17-19, p. 20, lines 1-6, Figure 3D, step 148);

(d) charging the at least one content provider a fee for delivering the content files to the client nodes over the peer-to-peer public network (Specification, p. 20, lines 17-18; Figure 3D, step 152);

(e) charging the at least one content provider a fee for the marketing content files based on a number of users that access the marketing content files once downloaded (Specification, p. 20, lines 18-20, Figure 3D, step 154); and

(f) charging user accounts of the client nodes that received fee-based subscription content files (Specification, p. 20, lines 20-21; Figure 3D, step 156).

Claim 26 recites a method for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), the network including at least one server node (such as server node 12, Figure 1A; see also Figure 1B) and multiple client nodes (such as client nodes 14, Figure 1A), the method comprising the steps of:

(a) enabling peer-to-peer file sharing of content (Specification, p. 9, lines 1-2; see also Figure 2, step 42) by,

(i) initiating on one client node a download of a particular content item served from the at least one server node or another client node (Specification, p. 4, lines 20-22, p. 9, lines 3-7), and

(ii) charging a fee based on a quantity of content served related to the particular content item (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152);

(b) enabling decentralized downloads of subscription-based content by

(i) allowing client nodes of the multiple client nodes to subscribe to the subscription-based content (Specification, p. 5, line 1, p. 9, lines 14-15, see also Figure 2, step 46),

(ii) periodically sending the subscription-based content to each respective subscribing client node (Specification, p. 5, lines 3-5, p. 9, lines 17-19; see also Figure 3D, steps 140 and 148), and

(iii) charging a fee to providers of the subscription-based content for serving the subscription-based content (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48);

(c) providing direct marketing (Figure 2, step 50) by

(i) sending marketing content to the client nodes from the at least one server node as well as from other client nodes (Specification, p. 10, lines 12-15), and

(ii) charging a fee to providers of the marketing content (Specification, p. 10, lines 18-19; Figure 2, step 52); and

(d) enabling client nodes to become affiliate servers that deliver content to other client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files (Specification, p. 5, lines 10-14; Figure 2, steps 54 and 56).

Claim 27 recites a system for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), the peer-to-peer file delivery network including at least one server node (such as server node 12, Figure 1A; see also Figure 1B) and multiple client nodes (such as client nodes 14, Figure 1A), the system comprising:

means for enabling peer-to-peer file sharing of content (Specification, p. 9, lines 1-2; see also Figure 2, step 42) whereby one client node initiates a download of a particular content item served from the at least one server node or another client node (Specification, p. 4, lines 20-22, p. 9, lines 3-7), and wherein a fee is charged based on a quantity of content served related to the particular content item (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152);

means for enabling decentralized downloads of subscription-based content that client nodes of the multiple client nodes subscribe to in order to receive periodic updates (Specification, p. 5, line 1-5, p. 9, lines 14-19, see also Figure 2, step 46, Figure 3D, steps 140 and 148), wherein a fee is charged to providers of the subscription-based content for serving the subscription-based content to the client nodes (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48);

means for providing direct marketing to the client nodes such that marketing content is sent to the client nodes from the at least one server node as well as from other client nodes (Specification, p. 10, lines 12-15), and a fee is charged to providers of the marketing content (Specification, p. 10, lines 18-19); and

means for enabling client nodes to become affiliate servers that deliver content to other client nodes, such that owners of the affiliate servers are paid a percentage of the fee charged for serving files (Specification, p. 5, lines 10-14).

The means for enabling peer-to-peer file sharing of content is a client node (such as client node 14 with a client application 22, see Specification, p. 8, lines 1-5; Figure 1A) and at least one server node (such as server node 12) with at least one database (Specification, p. 11, line 21 through p. 12, line 8; see also Figure 1B). The means for enabling decentralized downloads of subscription-based content is the server node. The means for providing direct marketing is also the server node (Specification, p. 10, lines 12-19; Figure 1B). The means for enabling client nodes to become affiliate servers is the client application 22 on the client node 14 (specification, p. 5, lines 10-14, p. 8, lines 1-5).

Claim 28 recites a system for generating revenue in a peer-to-peer file delivery network (such as network 10, Figure 1A), comprising:

a server node (such as server node 12, Figure 1A; see also Figure 1B) adapted to:

allow a download by a client node (such as any of the client nodes 14, Figure 1A) (Specification, p. 4, lines 20-22, p. 9, lines 3-7), wherein a fee is charged based on a quantity of content served during the download (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152); and

enable downloads of subscription-based content by client nodes (Specification, p. 5, line 1-5, p. 9, lines 14-19, see also Figure 2, step 46, Figure 3D, steps 140 and 148), wherein a second fee is charged to providers of the subscription-based content for serving the subscription based content to the client nodes (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48).

Claim 29 recites a server node (such as server node 12, Figure 1A; see also Figure 1B) comprising:

a network interface; and

a control system adapted to:

share content with a client node (such as any of the client nodes 14, Figure 1A) (Specification, p. 4, lines 20-22, p. 9, lines 3-7) and charge a fee based on a quantity of content shared with the client node (Specification, p. 4, lines 22-23, p. 9, lines 2-3 and 9-11, p. 16, lines 7-12, and p. 20, lines 17-18; see also Figure 2, step 44, and Figure 3D, step 152);

provide subscription-based content to which the client node may subscribe (Specification, p. 5, line 1-5, p. 9, lines 14-19, see also Figure 2, step 46, Figure 3D, steps 140 and 148), wherein a fee is charged to providers of the subscription-based content for providing the subscription-based content to the client node (Specification, p. 5, lines 5-6, p. 9, lines 19-20; see also Figure 2, step 48); and

provide direct marketing to the client node such that marketing content is provided to the client node and a fee is charged to providers of the marketing content (Specification, p. 10, lines 12-19; Figure 2, step 52); and

wherein the client node may become an affiliate server that delivers content to other client nodes such that an owner of the affiliate server is paid a percentage of a fee charged for content delivery (Specification, p. 5, lines 10-14, Figure 2, steps 54 and 56).

(6) GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

A. Whether claims 1-6, 9-14, 17-22, 26, and 27 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. 2002/0062290 A1 to Ricci (hereinafter "Ricci") in view of U.S. Patent No. 5,819,092 to Ferguson et al. (hereinafter "Ferguson").

B. Whether claims 7, 8, 15, 16, and 23-25 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Ricci in view of Ferguson and further in view of Admitted Prior Art (hereinafter "APA").

(7) ARGUMENT

A. Legal Standards for Establishing Obviousness

Section 103(a) of the Patent Act provides the statutory basis for an obviousness rejection and reads as follows:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Courts have interpreted 35 U.S.C. § 103(a) as a question of law based on underlying facts. As the Federal Circuit stated:

Obviousness is ultimately a determination of law based on underlying determinations of fact. These underlying factual determinations include: (1) the scope and content of the prior art; (2) the level of ordinary skill in the art; (3) the differences between the claimed invention and the prior art; and (4) the extent of any proffered objective indicia of nonobviousness.

Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH, 45 USPQ2d 1977, 1981 (Fed. Cir. 1998) (internal citations omitted).

Once the scope of the prior art is ascertained, the content of the prior art must be properly combined. Initially, the Patent Office must show that there is a suggestion to combine the references. *In re Dembiczak*, 175 F.3d 994 (Fed. Cir. 1999). Even if the Patent Office is able to articulate and support a suggestion to combine the references, it is impermissible to pick and choose elements from the prior art while using the application as a template. *In re Fine*, 837

F.3d 1071 (Fed. Cir. 1988). To reconstruct the invention by such selective extraction constitutes impermissible hindsight. *In re Gorman*, 933 F.2d 982 (Fed. Cir. 1991). After the combination has been made, for a *prima facie* case of obviousness, the combination must still teach or fairly suggest all of the claim elements. *In re Royka*, 490 F.2d 981 (C.C.P.A. 1974); MPEP § 2143.03.

Whether an element is implicitly or explicitly taught by a reference or combination of references is open to interpretation. While the Patent Office is entitled to give claim terms their broadest reasonable interpretation, this interpretation is limited by a number of factors. First, the interpretation must be consistent with the specification. *In re Hyatt*, 211 F.3d 1367, 1372 (Fed. Cir. 2000); MPEP § 2111. Second, the broadest reasonable interpretation of the claims must also be consistent with the interpretation that those skilled in the art would reach. *In re Cortright*, 165 F.3d 1353, 1359, (Fed. Cir. 1999); MPEP § 2111. Finally, the interpretation must be reasonable. *In re American Academy of Science Tech Center*, 367 F.3d 1359, 1369 (Fed. Cir. 2004); MPEP § 2111.01. This means that the words of the claim must be given their plain meaning unless Appellant has provided a clear definition in the specification. *In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989).

If a claim element is missing after the combination is made, then the combination does not render obvious the claimed invention, and the claims are allowable. As stated by the Federal Circuit, “[i]f the PTO fails to meet this burden, then the Appellant is entitled to the patent.” *In re Glaug*, 283 F.3d 1335, 1338 (Fed. Cir. 2002).

B. Summary of the References

1. U.S. Patent Application Publication No. 2002/0062290 A1 to Ricci

Ricci is directed to a method for distributing and licensing digital media, and in particular, is concerned with using peer-to-peer networks without relinquishing control of the distribution from copyright holders (Ricci, paragraph 0020). In Ricci, digital media is licensed and shared across a network of peers (Ricci, Abstract). Advertisements related to the recipient's interests, demographics, and downloaded media are displayed. By displaying the ads, the recipients are charged for licensing the digital media (Ricci, Abstract). Instead of displaying the ads, traditional royalties can be charged without charging subscription fees (Ricci, paragraph 0032). The royalty paid by the downloading user to the content owner is the typical copyright royalty owned to the copyright owner or licensor, and is not based on the quantity of the content

(Ricci, paragraphs 0022, 0027, and 0031). Ricci may also use a royalty database, which includes the costs of licensing the digital media, the limits of the license (i.e., duration and number of uses), and relates the royalties to a recipients database to track which recipients have licensed which digital media (Ricci, paragraph 0053).

2. U.S. Patent No. 5,819,092 to Ferguson

Ferguson is directed to a visual editing system for creating commercial online computer services (Ferguson, Abstract). The visual editing system features a fee setting tool that allows the developer of the services to develop a fee structure for an online service. The fee structure can handle both fees levied against users and third party content providers (Ferguson, Abstract). A user may be levied fees for logging onto an online service, performing searches, or downloading information (Ferguson, col. 4, lines 55-57). Third party content providers can be levied fees for submitting advertisements or for executing a transaction with a user (Ferguson, col. 4, lines 58-60).

3. AAPA

The Specification of the present application reads in part: "As is well known in the art, in cost per click, the advertiser is charged a fee based on how many times users click on a displayed ad, while in cost per acquisition, the advertiser is based on how many new customers are acquired through the ads." (Specification, p. 8, lines 8-11).

C. Introduction

The present invention provides a method and system for generating revenue in a peer-to-peer file delivery network. The method and system include enabling peer-to-peer file sharing of content by initiating, on one client node, a download of a particular content item served from the server node or another client node, and then charging a fee based on a quantity of the content served (Specification, p. 4, lines 19-23). The independent claims 1, 9, 17, 25, and 26 all recite "charging a fee based on a quantity of content served. . ." or similar claim language. The "quantity of content" in the claim corresponds to the actual amount of data being served. As an example, the Applicant's Specification provides that "a sliding-fee scale may be used to charge

users based on the number of gigabytes, e.g., \$30 for 1 gigabyte, \$50 for 2 gigabytes, \$90 for 5 gigabytes, and \$150 for 10 gigabytes . . .” (Specification, page 16, lines 9-12).

The Patent Office has not shown where all the elements of the claim are shown with sufficient particularity to sustain an obviousness rejection. In particular, the references cited by the Patent Office fail to teach or suggest “charging a fee based on a quantity of content served,” as claimed in the present invention. The Patent Office asserts that Ricci teaches this claim limitation. Appellant respectfully disagrees. Ricci discloses a method of licensing and distributing copyrighted digital media where a royalty is paid by the downloading user to the content owner. While Ricci indicates that the user downloading a file will pay the content owner, the fee is based on the appropriate royalty due the copyright owner, and is not based on the quantity of the content. Ricci also discloses a royalty database, which includes the costs of licensing the digital media and the limits of the license (i.e., duration, number of uses). The Patent Office incorrectly attempts to equate Ricci’s disclosure of the number of uses in the license as charging a fee based on the quantity of content served. Ricci provides a technique to collect royalties for use of copyrighted material, but does not charge a fee based on the quantity of content served. The reason Ricci is not concerned about the quantity of content served is that royalties for copyrighted works are not based on the quantity of content, but are instead based on use of the content. As such, Ricci monitors use of the copyrighted content and thus does not charge fees based on the quantity of content served.

Since Ricci does not charge fees based on the quantity of content served and the other cited reference Ferguson does not cure the deficiencies of Ricci, the Patent Office has not shown where each and every element of the claimed invention is shown in the prior art with sufficient particularity to sustain an obviousness rejection. As such, the claims are not obvious, and therefore Appellant requests that the Board reverse the Examiner and instruct the Examiner to allow the claims for these reasons.

D. Claims 1-6, 9-14, 17-22, 26, and 27 Are Non-Obvious Because the Combination of Ricci and Ferguson Fails to Teach or Suggest “Charging a Fee Based on a Quantity of Content Served,” as Required by the Claimed Invention

Claims 1-6, 9-14, 17-22, 26, and 27 stand rejected under 35 U.S.C. § 103 as being unpatentable over Ricci in view of Ferguson et al. (hereinafter “Ferguson”). For the Patent Office to combine prior art references to create an obviousness rejection, the Patent Office must

do two things. First, the Patent Office must state the motivation to combine the references, and second, the Patent Office must support its asserted motivation to combine the prior art references with a clear and particular showing of actual evidence demonstrating that the asserted motivation exists. *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999). After the combination has been made, for a *prima facie* case of obviousness, the combination must still teach or fairly suggest all of the claim elements. *In re Royka*, 490 F.2d 981 (C.C.P.A. 1974); MPEP § 2143.03. Appellant appeals the rejection of claims 1-6, 9-14, 17-22, 26, and 27 because the combination of Ricci and Ferguson fails to teach each and every element of the claimed invention.

Claim 1 recites a method for generating revenue in a peer-to-peer file delivery network, the peer-to-peer file delivery network including at least one server node and multiple client nodes, the method comprising the steps of:

- (a) enabling peer-to-peer file sharing of content by,
 - (i) initiating on one client node a download of a particular content item served from the server node or another client node, and
 - (ii) charging a fee based on a quantity of content served related to the particular content item; and
- (b) enabling decentralized downloads of subscription-based content by
 - (i) allowing client nodes of the multiple client nodes to subscribe to the subscription-based content,
 - (ii) periodically sending the subscription-based content to each respective subscribing client node, and
 - (iii) charging a fee to providers of the subscription-based content for serving the subscription-based content.

Thus, as part of claim 1, enabling peer-to-peer file sharing of content is accomplished in part by charging a fee based on a quantity of content served related to the particular content item. The independent claims 1, 9, 17, and 25-27 (as well as claims 28 and 29) all recite "charging a fee based on a quantity of content served. . ." or similar claim language. The "quantity of content" corresponds to the actual amount of data being served. As an example, the Applicant's Specification provides that "a sliding-fee scale may be used to charge users based on the number of gigabytes, e.g., \$30 for 1 gigabyte, \$50 for 2 gigabytes, \$90 for 5 gigabytes, and \$150 for 10 gigabytes . . ." (Specification, page 16, lines 9-12). Although required by claims 1, 9, 17, and

25-29, neither Ricci nor Ferguson, alone or in combination, teach or suggest the claim limitation "charging a fee based on a quantity of content served."

The Patent Office originally asserts that the element is taught by Ricci in paragraphs 0022 and 0053 (Final Office Action mailed March 8, 2006, p. 6). Appellant respectfully disagrees. Paragraph 0022 states in full: "In accordance with a further object of the invention, the method insures that even an anonymous user downloading a file will pay the owner the appropriate royalty." While this passage indicates that the downloading user will pay the owner of the file, the fee is based on the appropriate royalty due the copyright owner. The fee is not based on the quantity of the content. Instead, the fee in Ricci is the copyright royalty payment owed to the copyright holder or licensor, and may be a traditional charge, or may be in the form of receiving advertisements (see paragraphs 0027 and 0031). Thus, paragraph 0022 of Ricci does not teach or suggest that the fee is based on the quantity of the content.

Likewise, paragraph 0053 of Ricci states in full: "The server also can include a royalty database. The royalty database includes the costs of licensing the digital media, the limits of the license (i.e., duration, number of uses) and relates the royalties to the recipients database to track which recipients have licensed which digital media." Again, this passage describes royalties for copyrighted works, but these royalties are not a function of the quantity of the content served. The Patent Office asserts that Ricci states that the royalties (fees) are based on the number of uses and that the number of uses is the same as the quantity of content served (Final Office Action mailed March 8, 2006, p. 4). This assertion is unfounded.

First, paragraph 0053 does not indicate that the fee charged is based on the number of uses. There is no mention of a fee at all in paragraph 0053. Paragraph 0053 merely states that the royalty database includes the costs of licensing the digital media and the limits of the license. The license limits include the duration of the license and the number of uses. Paragraph 0053 merely discloses that a database has as one piece of data the number of uses to which the licensee is entitled; the amount of the fee charged is not linked to the number of uses in the database. Since paragraph 0053 of Ricci is silent as to the amount of the royalty fees, it cannot teach or suggest charging a fee based on the quantity of content served. Simply disclosing the number of uses in a license is not equivalent to "charging a fee based on a quantity of content served," as required by the claimed invention. For this reason, the Patent Office's assertion that Ricci's mention of the number of uses teaches the claim limitation is incorrect.

Second, the claimed invention charges based on the quantity of the content served, not just how many times a file is served. Ricci does not teach or suggest anything about the quantity of the content served. As is clear from paragraphs 0022, 0027, and 0031, Ricci is focused on collecting the appropriate royalties for downloading files associated with copyrighted works. At best, Ricci provides a technique to collect royalties for each use of the copyrighted material, but Ricci fails to disclose a technique to measure the quantity of content served, and thus does not base the fee on the quantity of content served. The reason Ricci is not concerned about the quantity of content served is that royalties for copyrighted works are not based on the quantity of content, but are instead based on use of the content. As such, Ricci monitors use and is not concerned with the quantity of content served.

In contrast, Appellant's claimed invention contemplates charging users based on the quantity of the content served, i.e., the number of gigabytes. (Specification, page 16, lines 9-12). Different files will often be different sizes, and Ricci makes no differentiation between files of different size. However, use of two different sized files of similar content type would result in the same fees being charged in Ricci, whereas a user downloading two different sized files in the present invention would be charged two different amounts. Just because a file can be downloaded multiple times, does not indicate that quantity of content, or size, of the file is ever a factor. In short, charging based on the number of downloads is very different than charging based on the quantity of content served. At best, Ricci teaches only charging a royalty based on the number of downloads and fails to teach or suggest charging a fee based on the quantity of the content served.

In the Advisory Action, the Patent Office asserts that, taken in its broadest reasonable interpretation, "quantity" is equivalent to the number of uses. The Patent Office states "charging based on the number of uses is equivalent to charging based on the quantity of content served. In both cases an amount of content is delivered to a user, and in both cases the user is charged based on the amount of content that is delivered to the user." (Advisory Action mailed June 6, 2006, p. 2). Appellant respectfully disagrees.

First, the Patent Office's statement is incorrect on its face. In both Ricci and the present invention, an amount of content is delivered to as user. However, in Ricci, the user is not charged based on the amount of content, but rather on the number of uses of the copyrighted

material (See Ricci, paragraphs 0022, 0027, 0031, and 0053). Ricci is completely silent as to the amount of content served.

Second, Appellant respectfully submits that one of ordinary skill in the art would not consider "quantity of content" to equal "number of uses." Although the Patent Office is entitled to give claim terms their broadest reasonable interpretation, this interpretation is limited by a number of factors. First, the interpretation must be consistent with the specification. *In re Hyatt*, 211 F.3d 1367, 1372 (Fed. Cir. 2000); MPEP § 2111. Second, the broadest reasonable interpretation of the claims must also be consistent with the interpretation that those skilled in the art would reach. *In re Cortright*, 165 F.3d 1353, 1359, (Fed. Cir. 1999); MPEP § 2111. Finally, the interpretation must be reasonable. *In re American Academy of Science Tech Center*, 367 F.3d 1359, 1369 (Fed. Cir. 2004); MPEP § 2111.01. This means that the words of the claim must be given their plain meaning unless Appellant has provided a clear definition in the specification. *In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989). Construing "quantity of content" to be equivalent to "number of uses" is inconsistent with the specification, which indicates that "a sliding-fee scale may be used to charge users based on the number of gigabytes, e.g., \$30 for 1 gigabyte, \$50 for 2 gigabytes, \$90 for 5 gigabytes, and \$150 for 10 gigabytes . . ." (Specification, page 16, lines 9-12). It is also inconsistent with the interpretation that those skilled in the art would reach, especially after reading the above passage in the Specification. Finally, equating "quantity of content" to "number of uses" is unreasonable because it is inconsistent with the plain meaning of the word "quantity", which is a measurable amount. Thus, there is no reasonable interpretation that is consistent with the specification in which "quantity of content" would be equivalent to "number of uses."

To further demonstrate that "quantity of content" is not equivalent to "number of uses," consider the following example. In the traditional non-subscription royalty based system of Ricci, a user is charged a fee for each download of copyrighted material. This could be more costly if there were a large number of downloads, even if the files were relatively small. In the present invention, a large number of downloads of a relatively small file could be cheaper because of the quantity of content served. For example, if a user wanted to download ten digital files that were one gigabyte each, and the copyright royalty on each was \$25, the user in Ricci's system would pay \$250 (\$25 per file for 10 libraries). In the present invention, assuming a sliding fee scale of \$30 for 1 gigabyte, \$50 for 2 gigabytes, \$90 for 5 gigabytes, and \$150 for 10

gigabytes, the user would be charged \$150 for the 10 gigabytes that were downloaded (10 files of 1 gigabyte each and the cost of 10 gigabytes is \$150). Thus, as seen in this example, the users would be charged different amounts for downloading the same content. Therefore, it is easy to see that being charged on the number of uses is not equivalent to being charged on the quantity of the content.

Thus, Ricci fails to teach or suggest the claim element of "charging a fee based on a quantity of content served," which is required by claims 1, 9, 17, and 26-29. The Patent Office points to nothing in Ferguson which cures the deficiencies of Ricci. Since the references individually do not teach or suggest the claim element, the combination of references cannot teach or suggest the claim element, and the Patent Office has not established obviousness.

Dependent claims 2-8, 10-16, and 18-24 further define the patentable subject matter of their respective independent claims and are therefore patentable for at least the same reasons as claims 1, 9 and 17.

Claims 26, 27, and 29, as well as dependent claims 3, 11, and 19 deserve special mention. These claims recite paying owners of the affiliate servers a percentage of the fee charged for serving the content. The Patent Office admits that Ricci does not teach this element, but asserts that it is taught by Ferguson, col. 9, lines 2-9 (Final Office Action mailed March 8, 2006, p. 7). While the cited passage of Ferguson does indicate that users of the system or content providers may be charged or paid, there is no indication that these users or content providers are affiliate servers as claimed in claims 3, 11, 19, 26, 27, and 29. Paying the users as taught by Ferguson does not equal paying the owners of the affiliate servers as recited in the claims. The Patent Office states that the content providers of Ferguson are affiliate server owners, where users can download content from the content provider node (Final Office Action mailed March 8, 2006, p. 7). However, claims 3, 11, 19, 26, 27, and 29 recite "enabling client nodes to become affiliate servers that deliver content to other client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files." Ferguson does not teach or suggest enabling client nodes to become affiliate servers and then paying the owners of the affiliate servers a percentage of the fee. First, the content providers of Ferguson are traditional content providers, they are not client nodes that become affiliate servers. Second, Ferguson does not mention paying a percentage of the fee to the owners of the affiliate servers. Thus, Ferguson does not teach or suggest "enabling client nodes to become affiliate servers that deliver content to other

client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files," as required by claims 3, 11, 19, 26, 27, and 29. Since Ferguson does not teach or suggest the element for which it is cited, and Ricci admittedly does not teach the element, the combination cannot teach or suggest the element. Therefore, the combination of Ricci and Ferguson does not establish obviousness, and claims 3, 11, 19, 26, 27, and 29 are allowable for this additional reason.

E. Claims 7, 8, 15, 16, and 23-25 Are Non-Obvious Because the Combination of Ricci, Ferguson, and Allegedly Admitted Prior Art Fail to Teach or Suggest Each and Every Element of Claims 7, 8, 15, 16, and 23-25

Claims 7, 8, 15, 16, and 23-25 were rejected under 35 U.S.C. § 103 as being unpatentable over Ricci in view of Ferguson and further in view of allegedly admitted prior art. Applicant respectfully traverses. The standards for establishing obviousness are set forth above.

Claims 7-8 depend from claim 1 and contain all of the limitations of claim 1. Claims 15 and 16 depend from claim 9 depend from claim 1 and contain all of the limitations of claim 1. Claims 23 and 24 depend from claim 17 and contain all of the limitations of claim 1. Claim 25 was addressed above. Thus, all of these claims also contain the limitation "charging a fee based on a quantity of content served."

As discussed above, the combination of Ricci and Ferguson fails to teach or suggest "charging a fee based on a quantity of content served." The addition of the allegedly admitted prior art fails to cure the deficiencies of the combination of Ricci and Ferguson. Thus, claims 7, 8, 15, 16, and 23-25 are allowable.

F. Conclusion

The Patent Office has not shown where all the elements of the claim are shown with sufficient particularity to sustain an obviousness rejection. In particular, the references cited by the Patent Office fail to teach or suggest "charging a fee based on a quantity of content served," as claimed in the present invention. Ricci provides a technique to collect royalties for use of copyrighted material, but does not charge a fee based on the quantity of content served. The reason Ricci is not concerned about the quantity of content served is that royalties for copyrighted works are not based on the quantity of content, but are instead based on use of the

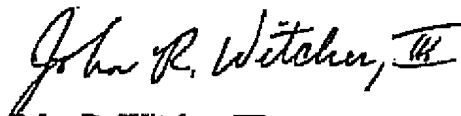
content. As such, Ricci monitors use of the copyrighted content and thus does not charge fees based on the quantity of content served.

Since Ricci does not charge fees based on the quantity of content served and the other cited reference Ferguson does not cure the deficiencies of Ricci, the Patent Office has not shown where each and every element of the claimed invention is shown in the prior art with sufficient particularity to sustain an obviousness rejection. As such, the claims are not obvious, and therefore Appellant requests that the Board reverse the Examiner and instruct the Examiner to allow the claims for these reasons.

Respectfully submitted,

WITHROW & TERRANOVA, P.L.L.C.

By:



John R. Witcher, III
Registration No. 39,877
P.O. Box 1287
Cary, NC 27512
Telephone: (919) 654-4520

Date: December 6, 2006

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(8) APPENDIX

1. A method for generating revenue in a peer-to-peer file delivery network, the peer-to-peer file delivery network including at least one server node and multiple client nodes, the method comprising the steps of:
 - (a) enabling peer-to-peer file sharing of content by,
 - (i) initiating on one client node a download of a particular content item served from the server node or another client node, and
 - (ii) charging a fee based on a quantity of content served related to the particular content item; and
 - (b) enabling decentralized downloads of subscription-based content by
 - (i) allowing client nodes of the multiple client nodes to subscribe to the subscription-based content,
 - (ii) periodically sending the subscription-based content to each respective subscribing client node, and
 - (iii) charging a fee to providers of the subscription-based content for serving the subscription-based content.
2. The method of claim 1 further including the step of:
 - (c) providing direct marketing by
 - (i) sending marketing content to the client nodes from the server node as well as from other client nodes, and
 - (ii) charging a fee to providers of the marketing content.
3. The method of claim 1 further including the step of:
 - (d) enabling client nodes to become affiliate servers that deliver content to other client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files.
4. The method of claim 1 wherein the content includes free content and fee-based content, step (a)(ii) further including the steps of:
 - (1) charging a fee to a provider of the free content for serving the free content, and

(2) charging a fee to a user of the initiating client node for the download of the fee-based content.

5. The method of claim 4 wherein the subscription-based content includes free content and fee-based content, step (b)(iii) further including the step of:

(1) charging a fee to users of the subscribing client nodes for receiving the fee-based content.

6. The method of claim 4 wherein the subscription-based content includes free content and fee-based content, step (b)(iii) further including the step of charging a fee to users of the subscribing client nodes for opening the fee-based content.

7. The method of claim 2 wherein step (c)(ii) further includes the step of: charging a fee to the provider of the marketing content based on a cost per click.

8. The method of claim 7 wherein step (c)(ii) further includes the step of: charging a fee to the provider of the marketing content based on a cost per acquisition.

9. A system for generating revenue in a peer-to-peer file delivery network, the peer-to-peer file delivery network including at least one server node and multiple client nodes, the system comprising:

means for enabling peer-to-peer file sharing of content whereby one client node initiates a download of a particular content item served from the server node or another client node, and wherein a fee is charged based on a quantity of content served related to the particular content item; and

means for enabling decentralized downloads of subscription-based content that client nodes of the multiple client nodes subscribe to in order to receive periodic updates, wherein a fee is charged to providers of subscription-based content for serving the subscription-based content to the client nodes.

10. The system of claim 9 further including means for providing direct marketing to client

nodes such that marketing content is sent to the client nodes from the server node as well as from other client nodes, and a fee is charged to providers of the marketing content.

11. The system of claim 9 further including means for enabling client nodes to become affiliate servers that deliver content to other client nodes, such that owners of the affiliate servers are paid a percentage of the fee charged for serving files.

12. The system of claim 9 wherein the content includes free content and fee-based content, and a provider of the free content is charged a fee for serving the free content, and a user of the initiating client node is charged a fee for download of the fee-based content.

13. The system of claim 12 wherein the subscription-based content includes second free content and second fee-based content, and wherein users of subscribing client nodes are charged a fee for receiving the second fee-based content.

14. The system of claim 12 wherein the subscription-based content includes second free content and second fee-based content, and wherein users of the subscribing client nodes are charged a fee for opening the second fee-based content.

15. The system of claim 10 further comprising means for charging a fee from a provider of the marketing content based on a cost per click.

16. The system of claim 15 further comprising means for charging a fee from the provider of the marketing content based on a cost per acquisition.

17. A computer-readable medium containing program instructions for generating revenue in a peer-to-peer file delivery network, the peer-to-peer file delivery network including at least one server node and multiple client nodes, the program instructions for:

(a) enabling peer-to-peer file sharing of content by,

(i) initiating on one client node a download of a particular content item served from the server node or another client node, and

(ii) charging a fee based on a quantity of content served related to the particular content item; and

(b) enabling decentralized downloads of subscription-based content by

(i) allowing client nodes of the multiple client nodes to subscribe to subscription-based content,

(ii) periodically sending the subscription-based content to each respective subscribing client node, and

(iii) charging a fee to providers of the subscription-based content for serving the subscription-based content.

18. The computer-readable medium of claim 17 further including the instruction of:

(c) providing direct marketing by

(i) sending marketing content to the client nodes from the server node as well as from other client nodes, and

(ii) charging a fee to providers of the marketing content.

19. The computer-readable medium of claim 17 further including the instruction of:

(d) enabling client nodes to become affiliate servers that deliver content to other client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files.

20. The computer-readable medium of claim 17 wherein the content includes free content and fee-based content, instruction (a)(ii) further including the instructions of:

(1) charging a fee to a provider of the free content for serving the free content, and

(2) charging a fee to a user of an initiating client node for download of the fee-based content.

21. The computer-readable medium of claim 20 wherein the subscription-based content includes second free content and second fee-based content, instruction (b)(iii) further including the instruction of:

(1) charging a fee to users of the respective subscribing client node for receiving the second fee-based content.

22. The computer-readable medium of claim 20 wherein the subscription-based content includes second free content and second fee-based content, instruction (b)(iii) further including the instruction of charging a fee to users of the respective subscribing client nodes for opening the second fee-based content.

23. The computer-readable medium of claim 18 wherein instruction (c)(ii) further includes the instruction of:

charging a fee to the providers of the marketing content based on a cost per click.

24. The computer-readable medium of claim 23 wherein instruction (c)(ii) further includes the instruction of:

charging a fee to the providers of the marketing content based on a cost per acquisition.

25. A method for providing subscription-based decentralized file downloads to client nodes in a peer-to-peer public network, each of the client nodes affiliated with a user account, the method comprising the steps of:

(a) receiving content files from at least one content provider, the content including free subscription content files, fee-based subscription content files, and marketing content files;

(b) allowing the client nodes to subscribe to particular content files;

(c) periodically delivering the particular content files to respective clients nodes that subscribed to the particular content files;

(d) charging the at least one content provider a fee for delivering the content files to the client nodes over the peer-to-peer public network;

(e) charging the at least one content provider a fee for the marketing content files based on a number of users that access the marketing content files once downloaded; and

(f) charging user accounts of the client nodes that received fee-based subscription content files.

26. A method for generating revenue in a peer-to-peer file delivery network, the network including at least one server node and multiple client nodes, the method comprising the steps of:

- (a) enabling peer-to-peer file sharing of content by,
 - (i) initiating on one client node a download of a particular content item served from the at least one server node or another client node, and
 - (ii) charging a fee based on a quantity of content served related to the particular content item;
- (b) enabling decentralized downloads of subscription-based content by
 - (i) allowing client nodes of the multiple client nodes to subscribe to the subscription-based content,
 - (ii) periodically sending the subscription-based content to each respective subscribing client node, and
 - (iii) charging a fee to providers of the subscription-based content for serving the subscription-based content;
- (c) providing direct marketing by
 - (i) sending marketing content to the client nodes from the at least one server node as well as from other client nodes, and
 - (ii) charging a fee to providers of the marketing content; and
- (d) enabling client nodes to become affiliate servers that deliver content to other client nodes, and paying owners of the affiliate servers a percentage of the fee charged for serving files.

27. A system for generating revenue in a peer-to-peer file delivery network, the peer-to-peer file delivery network including at least one server node and multiple client nodes, the system comprising:

means for enabling peer-to-peer file sharing of content whereby one client node initiates a download of a particular content item served from the at least one server node or another client node, and wherein a fee is charged based on a quantity of content served related to the particular content item;

means for enabling decentralized downloads of subscription-based content that client nodes of the multiple client nodes subscribe to in order to receive periodic updates, wherein a fee is charged to providers of the subscription-based content for serving the subscription-based content to the client nodes;

means for providing direct marketing to the client nodes such that marketing content is sent to the client nodes from the at least one server node as well as from other client nodes, and a fee is charged to providers of the marketing content; and

means for enabling client nodes to become affiliate servers that deliver content to other client nodes, such that owners of the affiliate servers are paid a percentage of the fee charged for serving files.

28. A system for generating revenue in a peer-to-peer file delivery network, comprising:
a server node adapted to:

allow a download by a client node, wherein a fee is charged based on a quantity of content served during the download; and

enable downloads of subscription-based content by client nodes, wherein a second fee is charged to providers of the subscription-based content for serving the subscription based content to the client nodes.

29. A server node comprising:
a network interface; and
a control system adapted to:

share content with a client node and charge a fee based on a quantity of content shared with the client node;

provide subscription-based content to which the client node may subscribe, wherein a fee is charged to providers of the subscription-based content for providing the subscription-based content to the client node; and

provide direct marketing to the client node such that marketing content is provided to the client node and a fee is charged to providers of the marketing content; and
wherein the client node may become an affiliate server that delivers content to other client nodes such that an owner of the affiliate server is paid a percentage of a fee charged for content delivery.

(9) EVIDENCE APPENDIX

Appellant relies on no evidence, thus this appendix is not applicable.

(10) RELATED PROCEEDINGS APPENDIX

As there are no related proceedings, this appendix is not applicable.



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100 REGENCY FOREST DRIVE
SUITE 160
CARY, NC 27518

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GROUP 3600

**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/963,812
Filing Date: September 26, 2001
Appellant(s): SCHLEICHER ET AL.

John R. Witcher, III
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 06 December 2006 appealing from the Office action mailed 08 March 2006.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

Ricci, United States Publication No. 2002/0062290 A1, 18 December 2001

5,819,092

Ferguson et al.

06 October 1998

Art Unit: 3628

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 1-6, 9-14, 17-22, 26, and 27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ricci, Pub. No. US2002/0062290 A1 in view of Ferguson et al., U.S. Patent No. 5,819,092.

As per Claims 1, 9 and 17, Ricci discloses a method for generating revenue in a peer-to-peer file delivery network, the network including at least one server node and multiple client nodes, the method comprising the steps of:

- (a) enabling peer-to-peer file sharing of content by,
- (i) initiating on one client node a download of a particular content item served from the server node or another client node (0030-0033), and
 - (ii) charging a fee based on a quantity of the content served (0022, 0053); and
- (b) enabling decentralized downloads of subscription-based content by
- (i) allowing the client nodes to subscribe to one or more of the subscription-based content (0057, 0061),

Art Unit: 3628

- (ii) periodically sending the subscribed to subscription-based content to each the respective subscribing client nodes (0040).

Nonetheless, Ricci fails to disclose charging a fee to providers of the subscription-based content for serving the subscription-based content. However, Ferguson et al. teaches levying fees on content providers for transactions with the users (C. 4, lines 53-60). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci and charge a fee to subscription-based content providers for transmitting their content as taught by Ferguson et al. because charging users and content providers a fee would greatly increase profitability of the file sharing service.

As per Claims 2, 10, 18, Ricci further discloses a method of providing direct marketing by sending marketing content to the client nodes from the server node as well as from other client nodes (0065, lines 1-8). Ricci fails to disclose charging a fee to providers of the marketing content. However, Ferguson et al. teaches charging a fee to providers of the marketing content (C. 14, lines 30-31). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci to include charging marketing content providers a fee as taught by Ferguson et al. because charging marketing content providers a fee would greatly increase profitability of the file sharing service.

As per Claims 3, 11, and 19, Ricci further discloses a method enabling client nodes to become affiliate servers that deliver content to other client nodes (0030). Ricci fails to disclose paying owners of the affiliate servers a percentage of the fee charged for serving the files.

Art Unit: 3628

However, Ferguson et al. teaches paying the user of the service (C. 9, lines 2-9). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci to include paying users of the affiliate servers a portion of the fee charged for serving the files as taught by Ferguson et al. because paying owners of the affiliate servers would increase retention of the affiliate server owners.

As per Claims 4-6, 12-14, and 20-22, Ricci further discloses a method including the steps of charging a fee from a user of the initiating client node for the download of the fee-based content (0022, 0053). Ricci fails to disclose charging a fee from a provider of the free content for serving the free content. However, Ferguson et al. teaches charging content providers a fee (C. 4, lines 53-60). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci to include charging content providers a fee for serving the free content as taught by Ferguson et al. because charging content providers a fee would greatly increase profitability of the file sharing service.

As per Claims 26, and 27, Ricci discloses a system for generating revenue in a peer-to-peer file delivery network, the network including at least one server node and multiple client nodes, the method comprising the steps of:

- means for enabling peer-to-peer file sharing of content whereby one client node initiates a download of a particular content item served from the server node or another client node (0018), and
- wherein a fee is charged based on a quantity of the content served (0022, 0053);

Art Unit: 3628

- means for providing direct marketing to client nodes such that marketing content is send to the client nodes from the server node as well as from other client nodes (0065, lines 1-8),
- means for enabling client nodes to become affiliate servers that deliver content to other client nodes (0030),

Nonetheless, Ricci fails to disclose:

- means for enabling decentralized downloads of subscription-based content that the client nodes subscribe to in order to receive periodic updates, wherein a fee is charged to providers of the subscription-based content for serving the subscription-based content to the client nodes;
- owners of the affiliate servers are paid a percentage of the fee charged for serving the files.
- a fee is charged to providers of the marketing content.

However, Ferguson et al. teaches users of the system receive periodic updates; levying fees on content providers for transactions with the users; paying users of affiliate servers for serving the files, and finally teaches charging marketing content providers a fee (C. 15, lines 7-11; C. 4, lines 53-60; C. 14, lines 30-31; C. 9, lines 2-9). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci and include providing periodic updates to users, levying fees on content providers, and to pay owners of affiliate servers for serving the files as taught by Ferguson et al. because charging content providers a fee would greatly increase profitability of the file sharing service. Also, paying

Art Unit: 3628

owners of affiliate servers because paying owners of the affiliate servers would increase retention of the affiliate server owners.

3. Claims 7, 8, 15, 16, 23-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ricci, Pub. No. US2002/0062290 A1 in view of Ferguson et al., U.S. Patent No. 5,819,092 as applied to claims 1, 9, and 17 above, and further in view of Applicants admission of the prior art.

As per Claims 7, 15, and 23, Ricci fails to disclose a method of charging a fee from the provider of the marketing content based on a cost per click. However, Applicant discloses that this feature is old and well known, see Specification, Page 11, lines 8-11. Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the Ricci and include charging a fee from the marketing content provider based on a cost per click as disclosed by Applicant. By Applicant's own admission, the feature of charging a fee from the provider of the marketing content based on a cost per click is admitted prior art.

As per Claims 8, 16, and 24, Ricci fails to disclose a method of charging a fee from the provider of the marketing content based on a cost per acquisition. However, Applicant discloses that this feature is old and well known, see Specification, Page 11, lines 8-11. Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the Ricci and include charging a fee from the marketing content provider based on a cost per acquisition as disclosed by Applicant. By Applicant's own admission, the feature of

Art Unit: 3628

charging a fee from the provider of the marketing content based on a cost per acquisition is admitted prior art.

As per Claim 25, Ricci fails to disclose a method for providing subscription-based decentralized file downloads to client nodes in a peer-to-peer public network, each of the client nodes affiliated with a user account, the method comprising the steps of:

- (b) allowing the client nodes to subscribe to one or more of the content files (0057, 0061);
- (c) periodically delivering the particular content files to the respective clients nodes that subscribed to the content files (0040);
- (f) charging the user accounts of the client nodes that received fee-based subscription content files (0022, 0053).

Nonetheless, Ricci fails to disclose:

- (a) receiving content files from at least one content provider, the content including free subscription content files, fee-based subscription content files, and marketing content files;
- (d) charging the content provider a fee for delivering the content files to the client nodes over the network.

However, Ferguson et al. teaches receiving content files from content providers; and also charging content providers a fee for serving the content files to the users (C. 4, lines 53-60).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci and include receiving content files from content

Art Unit: 3628

providers and charging content providers a fee for serving the files as taught by Ferguson et al. because charging a variety of content providers a fee would greatly increase profitability of the file sharing service. Ricci and Ferguson et al. nonetheless fail to disclose charging the content provider a fee for the marketing content files based on a number of users that access the marketing content files once downloaded. However, Applicant discloses that this feature is old and well known, see Specification, Page 11, lines 8-11. Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the Ricci and include charging content provider a fee based on the number of users to access the content as disclosed by Applicant. By Applicant's own admission, the feature of charging a fee from the provider of the marketing content based on a cost per acquisition is admitted prior art.

Double Patenting

4. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

Art Unit: 3628

5. Claims 1-27 are provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 16 and 17 of copending Application No. 09/814319 in view of Ferguson et al., U.S. Patent No. 5,819,092.

This is a provisional obviousness-type double patenting rejection.

Although the conflicting claims are not identical, they are not patentably distinct from each other. Claims 16 and 17 of Application No. 09/814319 recite:

A peer-to-peer file delivery network, comprising:

- at least one server node;
- multiple client nodes coupled to the server node over the network, each of the client nodes running a client application, wherein the client application works and operates in conjunction with the server node to enable secure and reliable peer-to-peer file sharing between two client nodes by,
enable secure and reliable peer-to-peer file sharing between two client nodes by,
 - generating account information for a user of each client node, including a digital certificate, in response to a registration process, wherein the digital certificate includes a private key and a public key,
 - in response to a file being selected for publication on a first client node by a first user,
 - generating and associating a digital fingerprint with the file,
 - generating a bitstream ID for the file and including the bitstream ID in the fingerprint, and
 - using the user's private key to generate a digital signature from the

Art Unit: 3628

file and including the digital signature in the fingerprint.

adding an entry for the file to a search list of shared files on the server

- node and storing the fingerprint on the server,
 - in response to a second client node selecting the file from the search list on the server node, automatically transferring the file from the first client node directly to the second client node, and
- authenticating the file by the second client node by generating a new bitstream ID, comparing the new bitstream ID to the bitstream ID in the fingerprint stored on the server, and using the user's public key to decrypt the digital signature to determine the authenticity and reliability of the file and publisher.

The network of claim 17 wherein the client application operates in conjunction with the server node to enable subscription-based decentralized file downloads to the client nodes by

- allowing the client nodes to subscribe with the server node to periodically receive copies of one of the files,
- when providing a current subscribing client node with the file, locating the closest client node containing the file, and
- transferring the file from the closest node directly to the current subscribing node, thereby efficiently utilizing bandwidth.

Claims 16 and 17 of Application No. 09/814319 differs since it further recites additional claim limitations including generating account information for a user of each client node, including a digital certificate; authenticating the file by the second client node by generating a new bitstream

Art Unit: 3628

ID; and allowing client nodes to subscribe with the server node to periodically receive copies of one of the files. However, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify claims 16 and 17 of Application No. 09/814319 by removing the limitations directed to generating account information, authenticating a file using a bitstream, and allowing client nodes to subscribe with the server node resulting generally in the claims of the present application since the claims of the present application and the claims recited in Application No. 09/814319 actually perform a similar function. It is well established that the omission of an element and its function is an obvious expedient if the remaining elements perform the same function as before.

Also, claims 16 and 17 of Application No. 09/814319 differ since they fail to recite a method for charging a fee to providers and users of the subscription-based content, either for serving the subscription-based content to the users or for receiving the content. Ferguson et al. teaches a method for levying fees against both users and content providers in an online system (C. 4, lines 53-67). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify claims 16 and 17 of Application No. 09/814319 and include the method of charging a fee to providers and users of the subscription-based content as taught by Ferguson et al. because charging users and content providers a fee would greatly increase profitability for the service.

(10) Response to Argument**First Issue**

Regarding the Appellant's argument that the Patent Office has failed to establish a *prima facie* case of obviousness, the Examiner asserts that the combination of references, i.e. Ricci in view of Ferguson et al., is proper. In this case, one of ordinary skill in the art would have been led to combine Ricci and Ferguson et al. in view of the fact that both references are directed to providing on-line content to users. Also, Ricci and Ferguson et al. are both related to charging users fees for downloading the content. For instance, Ricci discloses a method for distributing and licensing digital media across a network of peers (abstract). Ricci attempts to overcome the difficulties faced by content owners whose digital content was being downloaded in peer-to-peer networks without compensating the content owners by implementing a system that allows peer-to-peer file sharing while at the same time charging users for the content provided in order to compensate content owners. Ricci discloses users downloading a file will pay the appropriate royalty. Paying the appropriate royalty recoups the costs to the content provider for distributing the files, who must then compensate the content creator for use of their content. Furthermore, Ferguson et al. teaches a fee setting tool that allows the developer to develop a fee structure for an online service, e.g. downloading content (abstract). Ferguson et al. further teaches a third party content provider (i.e. content owner) can be paid when that third party content provider supplies valuable information desired by the users of the online services. The action of paying the content providers for supplying the information is in essence compensating the content providers for distributing the files. We have noted that evidence of a suggestion, teaching, or motivation to combine may flow from the prior art references themselves, the knowledge of one

Art Unit: 3628

of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved. *In re Dembiczak*, 50 USPQ2d 1614. Therefore, the "motivation-suggestion-teaching" test asks not merely what the references disclose, but whether a person of ordinary skill in the art, possessed with the understandings and knowledge reflected in the prior art, and motivated by the general problem facing the inventor, would have been led to make the combination recited in the claims. *In re Kahn* 78 USPQ2d 1329 (CAFC 2006). Thus, someone of ordinary skill in the art would be led to combine Ricci and Ferguson et al.

Second Issue

Examiner notes that the failure to address the Appellant's claims 28 and 29, which were added by amendment in response to the initial non-final office action, was inadvertent. Despite the Examiner's unintentional oversight of claims 28 and 29, Examiner notes that the Appellant discloses that claims 28 and 29 correspond to claims 9 and 27 but without the means plus function language. Therefore, if not for the unintentional oversight of the claims, Examiner would have mirrored the rejections of claims 28 and 29 similarly to the rejections of claims 9 and 27.

Third Issue

Appellant argues that neither Ricci nor Ferguson et al., alone or in combination, teach or suggest the claim limitation "charging a fee based on a quantity of content served." The Appellant notes that independent claims 1, 9, 17, and 25-27, as well as claims 28 and 29, all recite "charging a fee based on a quantity of content served" or similar language. The Appellant

Art Unit: 3628

further recites "the quantity of content corresponds to the actual amount of data being served."

As an example, the Applicant's Specification provides that "a sliding-fee scale.....e.g. \$30 for 1 gigabyte...." Examiner notes that the Appellant's specification actually recites "For example, a sliding-fee scale..." It is well established that *examples* in a specification do not further define a claim limitation, and therefore the Appellant's definition for the claim limitation "charging a fee based on a quantity of content served" is not based on the example given in the specification.

Recent decisions have indicated that if an inventor is relying on a special meaning for terms appearing in the claims, then the special meaning must be clearly written in the specification. "Although an applicant may be his own lexicographer... nothing in the specification defines the phrase 'quantity of content served' differently from its ordinary meaning", see *In Re Thrift*, 63 USPQ2d 2002, 2006 (Fed. Cir. 2002). "One purpose for examining the specification is to determine if the patentee has limited the scope of the claims." ...For example, an inventor may choose to be his own lexicographer if he defines the specific terms used to describe the invention 'with reasonable clarity, deliberateness, and precision', see *Teleflex, Inc. v. Ficosa N. Am. Corp.*, 63 USPQ2d 1374, 1381 (Fed. Cir. 2002) and *In re Paulsen*, 31 USPQ2d 1671, 1674-75 (Fed. Cir. 1994). Examiner submits that the "number of uses" disclosed by Ricci meets the definition for "quantity of content served" described by the Appellant.

Appellant argues, "the fee in Ricci is the copyright royalty payment". Examiner asserts that a fee owed to a copyright owner wherein the user is charged based on the number of uses (e.g. downloads, duration, etc.) is equivalent to the Appellant's "quantity of content." Further, the Appellant argues that "the amount of the fee charged is not linked to the number of uses in

the database.” However, Examiner notes that a user purchasing a license to use the digital media would be charged based on the number of licenses that user purchases and therefore would be charged on the “quantity of content served.” The Examiner notes the broadest reasonable interpretation of “number of uses” would include “quantity of content served.” Further, Examiner notes during patent examination, the pending claims must be “given their broadest reasonable interpretation consistent with the specification,” moreover the Examiner notes claims of issued patents are interpreted in light of the specification, but during examination, prosecution history, prior art, and other claims, must be interpreted as broadly as their terms reasonably allow (MPEP 2111). Thus, the Examiner interprets Ricci to disclose quantity of content served.

Examiner notes that Appellant’s argument, “Different files will often be different sizes, and Ricci makes no differentiation between files of different size”, is inconsistent with the Appellant’s claim limitations. Appellant is attempting to read in a definition into the claim limitations which lacks support in the specification. Further, the claim limitations are broader than the definition that the Appellant is attempting to argue. Appellant’s specification fails to define the claim limitation in a manner that one of ordinary skill in the art would read “quantity of content served” differently than the Examiner has already done.

Furthermore, Examiner notes that Ferguson et al. further teaches charging a user based on the quantity of content served. Ferguson et al. teaches, “The ability to set fees to be paid by the user *for an amount of data accessed*, the time spent “logged on” to the online service, or the purchase of particular merchandise...” Ferguson et al. thus teaches that it is old and well known in the art to charge a user based a quantity (i.e. amount) of content (data) served (accessed).

Art Unit: 3628

Fourth Issue

Appellant argues with respect to claims 3, 11, 19, 26, 27 and 29 that Ferguson et al. fails to teach paying owners of the affiliate servers a percentage of the fee charged for serving the content. However, Examiner notes that the Ferguson reference was cited for teaching charging or paying users or content providers (C. 9, lines 2-9). Ricci was cited for disclosing, "transfers of the digital media can be made on the bandwidth of the peers rather than the originator, ie. enabling client nodes to become affiliate servers that deliver content to other client nodes (0030). Ferguson et al.'s teaching of paying the content provider or user for the digital media transaction in combination with Ricci's disclosure of peer-to-peer file sharing teaches the Appellant's invention. Paying users who allow other client nodes to download files from their system is a basic economical decision wherein a resource supplier is reimbursed for their resource.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

Art Unit: 3628

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

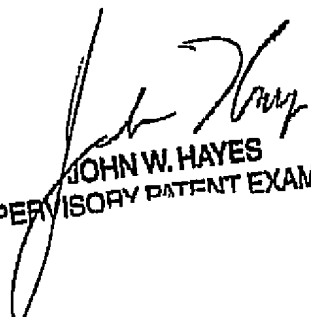
Fadey S. Jabr
Examiner
Art Unit 3628

Conferees:

John W. Hayes



Vincent Millin



JOHN W. HAYES
SUPERVISORY PATENT EXAMINER

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Jorg G. Schleicher et al.

Serial No. 09/963,812

Filed: 09/26/2001

Examiner: Fadey S. Jabr

Art Unit: 3628

For: **METHOD AND SYSTEM FOR GENERATING REVENUE IN A PEER-TO-PEER
FILE DELIVERY NETWORK**

Mail Stop Appeal Brief-- Patents

Commissioner for Patents

PO Box 1450

Alexandria, VA 22313-1450

Sir:

A **REPLY BRIEF** is filed herewith in response to the Examiner's Answer mailed February 27, 2007. If any fees are required in association with this Reply Brief, the Director is hereby authorized to charge them to Deposit Account 50-1732, and consider this a petition therefor.

REPLY BRIEF

A. Introduction

In addition to the reasons detailed in the Appeal Brief filed on December 6, 2006, the Appellants respectfully submit that claims 1-27 are patentable over *Ricci* in view of *Ferguson* and further in view of the *Appellants' Related Art* for the reasons set forth below. In particular, none of the references, either alone or in combination, discloses or suggests all the features recited in claims 1-27. As such, these claims are patentable.

B. Argument

Claims 1-6, 9-14, 17-22, 26, and 27 were rejected under 35 U.S.C. §103(a) as being unpatentable over *Ricci* in view of *Ferguson*. The Appellants traverse the rejection.

According to Chapter 2143.03 of the M.P.E.P., in order to "establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art." The Appellants submit that neither *Ricci* nor *Ferguson*, either alone or in combination, discloses or suggests all the features recited in claims 1-6, 9-14, 17-22, 26, and 27. More specifically, claim 1 recites a method for generating revenue in a peer-to-peer file delivery network comprising, among other features, "periodically sending the subscription-based content to each respective subscribing client node." Claims 17 and 26 include similar features. The Appellants submit that none of the references, either alone or in combination, discloses or suggests periodically sending subscription-based content to a subscribing client node. In maintaining the rejection, the Patent Office asserts that *Ricci* discloses this feature at paragraph [0040].¹ The Appellants respectfully disagree. At most, the cited portion of *Ricci* discloses that during the transfer of digital media, a network acts like a peer-to-peer network without requiring a central server.² However, no mention is made or suggested of periodically sending subscription-based content to a subscribing client node. Furthermore, the Appellants have reviewed the remainder of the reference and submit that nowhere does *Ricci* disclose or suggest this feature. Likewise, the Appellants have reviewed *Ferguson* and submit that *Ferguson* does not disclose or suggest periodically sending subscription-based content to a subscribing client node. Accordingly, for at least this reason, claims 1, 17, and 26 are patentable over the cited

¹ See Final Office Action mailed March 8, 2006, page 6.

² See *Ricci*, paragraph [0040].

references. Similarly, claims 2-6 and 18-22, which ultimately depend from claims 1 or 17, respectively, are patentable for at least the same reason along with the novel features recited therein.

Claim 9 recites a system for generating revenue in a peer-to-peer file delivery network comprising, among other features, "means for enabling decentralized downloads of subscription-based content that client nodes of the multiple client nodes subscribe to in order to receive periodic updates." Claim 27 includes similar features. The Appellants respectfully submit that none of the references, either alone or in combination, discloses or suggests a means for enabling downloads of subscription-based content in order to receive periodic updates. As detailed above, none of the references, either alone or in combination, discloses or suggests periodically sending subscription based content to a subscribing client node. Therefore, it follows that neither reference, either alone or in combination, can disclose or suggest receiving periodic updates nor a means for enabling downloads of subscription-based content in order to receive periodic updates. As such, claims 9 and 27 are patentable over the cited references. Similarly, claims 10-14, which ultimately depend from claim 9, are patentable for at least the same reasons along with the novel features recited therein.

In addition, claims 7, 8, 15, 16, and 23-25 were rejected under 35 U.S.C. §103(a) as being unpatentable over *Ricci* in view of *Ferguson* in further view of the *Appellants' Related Art*. The Appellants traverse the rejection.

Claim 25 recites a method for providing subscription-based decentralized file downloads to client nodes in a peer-to-peer public network comprising, among other features, "periodically delivering the particular content files to respective clients nodes that subscribed to the particular content files." As detailed above, neither *Ricci* nor *Ferguson*, either alone or in combination, discloses or suggests periodically delivering content files to clients that subscribed to the particular client files. In addition, the *Appellants' Related Art* does not disclose or suggest this feature. Accordingly, claim 25 is patentable over the cited references.

Regarding claims 7, 8, 15, 16, 23, and 24, as detailed above, claims 1, 9, and 17, the base claims from which claims 7, 8, 15, 16, 23, and 24 ultimately depend, are patentable over *Ricci* and *Ferguson*. Moreover, as mentioned above, the *Appellants' Related Art* does not overcome the previously noted shortcomings of both *Ricci* and *Ferguson*. Therefore, claims 7, 8, 15, 16, and 23-25 are patentable over the cited references.

C. Conclusion

As detailed above, none of the cited references, either alone or in combination, discloses or suggests periodically sending or receiving subscription-based content to a subscribing client node. Therefore, claims 1-6, 9-14, 17-22, 26, and 27 are patentable over *Ricci* in view of *Ferguson* and claims 7, 8, 15, 16, and 23-25 are patentable over *Ricci* in view of *Ferguson* and further in view of the *Appellants' Related Art*.

Respectfully submitted,

WITHROW & TERRANOVA, P.L.L.C.

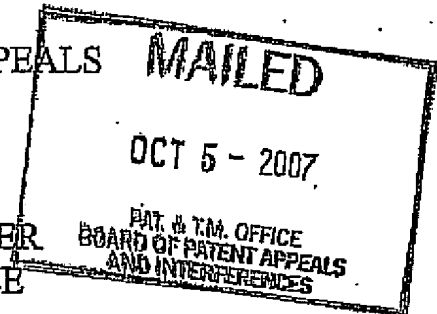
By. 

Benjamin S. Withrow
Registration No. 40,876
P.O. Box 1287
Cary, NC 27512
Telephone: (919) 654-4520

Date: April 24, 2007
Attorney Docket: 1104-032

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte JORG GREGOR SCHIEICHER
AND CHRISTOPHER ALLIN KITZE

Application No. 09/963,812

DOCKETED
MXH 10/9/07

ORDER RETURNING UNDOCKETED APPEAL TO EXAMINER

This application was received electronically at the Board of Patent Appeals and Interferences on July 21, 2007. A review of the application has revealed that the application is not ready for docketing as an appeal. Accordingly, the application is herewith being returned to the examiner. The matter requiring attention prior to docketing is identified below.

EXAMINER'S ANSWER**STATUS OF CLAIMS**

On February 27, 2007, an Examiner's Answer was entered to the record. On page 2, the examiner stated that "[t]he statement of the status of claims contained in the brief is correct." However, on January 6, 2006, the appellants filed an amendment

Application No. 09/963,812

adding claims 28 and 29. The Final Rejection mailed March 8, 2006 indicates that only claims 1-27 were rejected. Clarification of the status of claims 28 and 29 is required. The Examiner shall notify the appellants, in writing whether or not claims 28 and 29 will be added for purposes of the appeal.

Accordingly, it is

ORDERED that the application is returned to the Examiner:

- 1) for clarification of the status of claims 28 and 29; and
- 2) for such further action as may be appropriate.

BOARD OF PATENT APPEALS
AND INTERFERENCES

By: Patrick J. Nolan

PATRICK J. NOLAN

Deputy Chief Appeals Administrator
(571) 272-9797

PJN/dal

Application No. 09/963,812

WITHROW & TERRANOVA, P.L.L.C.
100 REGENCY FOREST DRIVE
SUITE 160
CARY, NC 27518



UNITED STATES PATENT AND TRADEMARK OFFICE

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/963,812	09/26/2001	Jorg Gregor Schleicher	1104-032	1207
27820 7590 10/30/2007 WITHROW & TERRANOVA, P.L.L.C. 100 REGENCY FOREST DRIVE SUITE 160 CARY, NC 27518				
			EXAMINER JABR, FADEY S	
			ART UNIT 3628	PAPER NUMBER
			MAIL DATE 10/30/2007	DELIVERY MODE PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

DOCKETED
NOV 11/5/07



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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/963,812
Filing Date: September 26, 2001
Appellant(s): SCHLEICHER ET AL.

MAILED

OCT 30 2007

GROUP 3600

John R. Witcher, III
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 06 December 2006 appealing from the Office action mailed 08 March 2006.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

NEW GROUND(S) OF REJECTION

The appellant's statement of the grounds of rejection to be reviewed on appeal is substantially correct. The changes are as follows: Claims 28-29 correspond to claims 9 and 27 but without the means plus function language, as stated by the Appellant. The claims were inadvertently not entered. Therefore, Claims 28-29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ricci, Pub. No. US2002/0062290 A1 in view of Ferguson et al., U.S. Patent No. 5,819,092.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

Ricci, United States Publication No. 2002/0062290 A1, 18 December 2001

5,819,092

Ferguson et al.

06 October 1998

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

2. Claims 1-6, 9-14, 17-22 and 26-29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ricci, Pub. No. US2002/0062290 A1 in view of Ferguson et al., U.S. Patent No. 5,819,092.

As per Claims 1, 9, 17 and 29, Ricci discloses a method for generating revenue in a peer-to-peer file delivery network, the network including at least one server node and multiple client nodes, the method comprising the steps of:

(a) enabling peer-to-peer file sharing of content by,

Art Unit: 3628

- (i) initiating on one client node a download of a particular content item served from the server node or another client node (0030-0033), and
- (ii) charging a fee based on a quantity of the content served (0022, 0053); and

(b) enabling decentralized downloads of subscription-based content by

- (i) allowing the client nodes to subscribe to one or more of the subscription-based content (0057, 0061),
- (ii) periodically sending the subscribed to subscription-based content to each the respective subscribing client nodes (0040).

Nonetheless, Ricci fails to disclose charging a fee to providers of the subscription-based content for serving the subscription-based content. However, Ferguson et al. teaches levying fees on content providers for transactions with the users (C. 4, lines 53-60). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci and charge a fee to subscription-based content providers for transmitting their content as taught by Ferguson et al. because charging users and content providers a fee would greatly increase profitability of the file sharing service.

As per Claims 2, 10, 18, Ricci further discloses a method of providing direct marketing by sending marketing content to the client nodes from the server node as well as from other client nodes (0065, lines 1-8). Ricci fails to disclose charging a fee to providers of the marketing content. However, Ferguson et al. teaches charging a fee to providers of the marketing content (C. 14, lines 30-31). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci to include charging marketing

Art Unit: 3628

content providers a fee as taught by Ferguson et al. because charging marketing content providers a fee would greatly increase profitability of the file sharing service.

As per Claims 3, 11, and 19, Ricci further discloses a method enabling client nodes to become affiliate servers that deliver content to other client nodes (0030). Ricci fails to disclose paying owners of the affiliate servers a percentage of the fee charged for serving the files. However, Ferguson et al. teaches paying the user of the service (C. 9, lines 2-9). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci to include paying users of the affiliate servers a portion of the fee charged for serving the files as taught by Ferguson et al. because paying owners of the affiliate servers would increase retention of the affiliate server owners.

As per Claims 4-6, 12-14, and 20-22, Ricci further discloses a method including the steps of charging a fee from a user of the initiating client node for the download of the fee-based content (0022, 0053). Ricci fails to disclose charging a fee from a provider of the free content for serving the free content. However, Ferguson et al. teaches charging content providers a fee (C. 4, lines 53-60). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci to include charging content providers a fee for serving the free content as taught by Ferguson et al. because charging content providers a fee would greatly increase profitability of the file sharing service.

Art Unit: 3628

As per Claims 26-28, Ricci discloses a system for generating revenue in a peer-to-peer file delivery network, the network including at least one server node and multiple client nodes, the method comprising the steps of:

- means for enabling peer-to-peer file sharing of content whereby one client node initiates a download of a particular content item served from the server node or another client node (0018), and
- wherein a fee is charged based on a quantity of the content served (0022, 0053);
- means for providing direct marketing to client nodes such that marketing content is send to the client nodes from the server node as well as from other client nodes (0065, lines 1-8),
- means for enabling client nodes to become affiliate servers that deliver content to other client nodes (0030),

Nonetheless, Ricci fails to disclose:

- means for enabling decentralized downloads of subscription-based content that the client nodes subscribe to in order to receive periodic updates, wherein a fee is charged to providers of the subscription-based content for serving the subscription-based content to the client nodes;
- owners of the affiliate servers are paid a percentage of the fee charged for serving the files.
- a fee is charged to providers of the marketing content.

However, Ferguson et al. teaches users of the system receive periodic updates; levying fees on content providers for transactions with the users; paying users of affiliate servers for serving the

Art Unit: 3628

files, and finally teaches charging marketing content providers a fee (C. 15, lines 7-11; C. 4, lines 53-60; C. 14, lines 30-31; C. 9, lines 2-9). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci and include providing periodic updates to users, levying fees on content providers, and to pay owners of affiliate servers for serving the files as taught by Ferguson et al. because charging content providers a fee would greatly increase profitability of the file sharing service. Also, paying owners of affiliate servers because paying owners of the affiliate servers would increase retention of the affiliate server owners.

3. Claims 7, 8, 15, 16, 23-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ricci, Pub. No. US2002/0062290 A1 in view of Ferguson et al., U.S. Patent No. 5,819,092 as applied to claims 1, 9, 17 and 29 above, and further in view of Applicants admission of the prior art.

As per Claims 7, 15, and 23, Ricci fails to disclose a method of charging a fee from the provider of the marketing content based on a cost per click. However, Applicant discloses that this feature is old and well known, see Specification, Page 11, lines 8-11. Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the Ricci and include charging a fee from the marketing content provider based on a cost per click as disclosed by Applicant. By Applicant's own admission, the feature of charging a fee from the provider of the marketing content based on a cost per click is admitted prior art.

Art Unit: 3628

As per Claims 8, 16, and 24, Ricci fails to disclose a method of charging a fee from the provider of the marketing content based on a cost per acquisition. However, Applicant discloses that this feature is old and well known, see Specification, Page 11, lines 8-11. Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the Ricci and include charging a fee from the marketing content provider based on a cost per acquisition as disclosed by Applicant. By Applicant's own admission, the feature of charging a fee from the provider of the marketing content based on a cost per acquisition is admitted prior art.

As per Claim 25, Ricci fails to disclose a method for providing subscription-based decentralized file downloads to client nodes in a peer-to-peer public network, each of the client nodes affiliated with a user account, the method comprising the steps of:

- (b) allowing the client nodes to subscribe to one or more of the content files (0057, 0061);
- (c) periodically delivering the particular content files to the respective clients nodes that subscribed to the content files (0040);
- (f) charging the user accounts of the client nodes that received fee-based subscription content files (0022, 0053).

Nonetheless, Ricci fails to disclose:

- (a) receiving content files from at least one content provider, the content including free subscription content files, fee-based subscription content files, and marketing content files;

Art Unit: 3628

- (d) charging the content provider a fee for delivering the content files to the client nodes over the network.

However, Ferguson et al. teaches receiving content files from content providers; and also charging content providers a fee for serving the content files to the users (C. 4, lines 53-60). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Ricci and include receiving content files from content providers and charging content providers a fee for serving the files as taught by Ferguson et al. because charging a variety of content providers a fee would greatly increase profitability of the file sharing service. Ricci and Ferguson et al. nonetheless fail to disclose charging the content provider a fee for the marketing content files based on a number of users that access the marketing content files once downloaded. However, Applicant discloses that this feature is old and well known, see Specification, Page 11, lines 8-11. Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the Ricci and include charging content provider a fee based on the number of users to access the content as disclosed by Applicant. By Applicant's own admission, the feature of charging a fee from the provider of the marketing content based on a cost per acquisition is admitted prior art.

Double Patenting

4. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

Art Unit: 3628

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

5. Claims 1-27 are provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 16 and 17 of copending Application No. 09/814319 in view of Ferguson et al., U.S. Patent No. 5,819,092.

This is a provisional obviousness-type double patenting rejection.

Although the conflicting claims are not identical, they are not patentably distinct from each other. Claims 16 and 17 of Application No. 09/814319 recite:

A peer-to-peer file delivery network, comprising:

- at least one server node;
- multiple client nodes coupled to the server node over the network, each of the client nodes running a client application, wherein the client application works and operates in conjunction with the server node to enable secure and reliable peer-to-peer file sharing between two client nodes by,
enable secure and reliable peer-to-peer file sharing between two client nodes by,
- generating account information for a user of each client node, including a digital certificate, in response to a registration process, wherein the digital certificate includes a private key and a public key,
- in response to a file being selected for publication on a first client node by a first user,

Art Unit: 3628

- generating and associating a digital fingerprint with the file,
 - generating a bitstream ID for the file and including the bitstream ID in the fingerprint, and
 - using the user's private key to generate a digital signature from the file and including the digital signature in the fingerprint.
- adding an entry for the file to a search list of shared files on the server
- node and storing the fingerprint on the server,
 - in response to a second client node selecting the file from the search list on the server node, automatically transferring the file from the first client node directly to the second client node, and
 - authenticating the file by the second client node by generating a new bitstream ID, comparing the new bitstream ID to the bitstream ID in the fingerprint stored on the server, and using the user's public key to decrypt the digital signature to determine the authenticity and reliability of the file and publisher.

The network of claim 17 wherein the client application operates in conjunction with the server node to enable subscription-based decentralized file downloads to the client nodes by

- allowing the client nodes to subscribe with the server node to periodically receive copies of one of the files,
- when providing a current subscribing client node with the file, locating the closest client node containing the file, and
- transferring the file from the closest node directly to the current subscribing node,

Art Unit: 3628

thereby efficiently utilizing bandwidth.

Claims 16 and 17 of Application No. 09/814319 differs since it further recites additional claim limitations including generating account information for a user of each client node, including a digital certificate; authenticating the file by the second client node by generating a new bitstream ID; and allowing client nodes to subscribe with the server node to periodically receive copies of one of the files. However, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify claims 16 and 17 of Application No. 09/814319 by removing the limitations directed to generating account information, authenticating a file using a bitstream, and allowing client nodes to subscribe with the server node resulting generally in the claims of the present application since the claims of the present application and the claims recited in Application No. 09/814319 actually perform a similar function. It is well established that the omission of an element and its function is an obvious expedient if the remaining elements perform the same function as before.

Also, claims 16 and 17 of Application No. 09/814319 differ since they fail to recite a method for charging a fee to providers and users of the subscription-based content, either for serving the subscription-based content to the users or for receiving the content. Ferguson et al. teaches a method for levying fees against both users and content providers in an online system (C. 4, lines 53-67). Therefore, it would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify claims 16 and 17 of Application No. 09/814319 and include the method of charging a fee to providers and users of the subscription-based content as taught by Ferguson et al. because charging users and content providers a fee would greatly increase profitability for the service.

(10) Response to Argument

First Issue

Regarding the Appellant's argument that the Patent Office has failed to establish a *prima facie* case of obviousness, the Examiner asserts that the combination of references, i.e. Ricci in view of Ferguson et al., is proper. In this case, one of ordinary skill in the art would have been led to combine Ricci and Ferguson et al. in view of the fact that both references are directed to providing on-line content to users. Also, Ricci and Ferguson et al. are both related to charging users fees for downloading the content. For instance, Ricci discloses a method for distributing and licensing digital media across a network of peers (abstract). Ricci attempts to overcome the difficulties faced by content owners whose digital content was being downloaded in peer-to-peer networks without compensating the content owners by implementing a system that allows peer-to-peer file sharing while at the same time charging users for the content provided in order to compensate content owners. Ricci discloses users downloading a file will pay the appropriate royalty. Paying the appropriate royalty recoups the costs to the content provider for distributing the files, who must then compensate the content creator for use of their content. Furthermore, Ferguson et al. teaches a fee setting tool that allows the developer to develop a fee structure for an online service, e.g. downloading content (abstract). Ferguson et al. further teaches a third party content provider (i.e. content owner) can be paid when that third party content provider supplies valuable information desired by the users of the online services. The action of paying the content providers for supplying the information is in essence compensating the content providers for distributing the files. We have noted that evidence of a suggestion, teaching, or motivation to combine may flow from the prior art references themselves, the knowledge of one

Art Unit: 3628

of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved. *In re Dembiczak*, 50 USPQ2d 1614. Therefore, the “motivation-suggestion-teaching” test asks not merely what the references disclose, but whether a person of ordinary skill in the art, possessed with the understandings and knowledge reflected in the prior art, and motivated by the general problem facing the inventor, would have been led to make the combination recited in the claims. *In re Kahn* 78 USPQ2d 1329 (CAFC 2006). Thus, someone of ordinary skill in the art would be led to combine Ricci and Ferguson et al.

Second Issue

Examiner notes that the failure to address the Appellant’s claims 28 and 29, which were added by amendment in response to the initial non-final office action, was inadvertent. Despite the Examiner’s unintentional oversight of claims 28 and 29, Examiner notes that the Appellant discloses that claims 28 and 29 correspond to claims 9 and 27 but without the means plus function language. Therefore, if not for the unintentional oversight of the claims, Examiner would have mirrored the rejections of claims 28 and 29 similarly to the rejections of claims 9 and 27, hence the New Grounds of Rejection.

Third Issue

Appellant argues that neither Ricci nor Ferguson et al., alone or in combination, teach or suggest the claim limitation “charging a fee based on a quantity of content served.” The Appellant notes that independent claims 1, 9, 17, and 25-27, as well as claims 28 and 29, all recite “charging a fee based on a quantity of content served” or similar language. The Appellant

Art Unit: 3628

further recites "the quantity of content corresponds to the actual amount of data being served."

As an example, the Applicant's Specification provides that "a sliding-fee scale.....e.g. \$30 for 1 gigabyte...." Examiner notes that the Appellant's specification actually recites "For example, a sliding-fee scale..." It is well established that *examples* in a specification do not further define a claim limitation, and therefore the Appellant's definition for the claim limitation "charging a fee based on a quantity of content served" is not based on the example given in the specification.

Recent decisions have indicated that if an inventor is relying on a special meaning for terms appearing in the claims, then the special meaning must be clearly written in the specification. "Although an applicant may be his own lexicographer... nothing in the specification defines the phrase 'quantity of content served' differently from its ordinary meaning", see *In Re Thrift*, 63 USPQ2d 2002, 2006 (Fed. Cir. 2002). "One purpose for examining the specification is to determine if the patentee has limited the scope of the claims." ...For example, an inventor may choose to be his own lexicographer if he defines the specific terms used to describe the invention 'with reasonable clarity, deliberateness, and precision', see *Teleflex, Inc. v. Ficosa N. Am. Corp.*, 63 USPQ2d 1374, 1381 (Fed. Cir. 2002) and *In re Paulsen*, 31 USPQ2d 1671, 1674-75 (Fed. Cir. 1994). Examiner submits that the "number of uses" disclosed by Ricci meets the definition for "quantity of content served" described by the Appellant.

Appellant argues, "the fee in Ricci is the copyright royalty payment". Examiner asserts that a fee owed to a copyright owner wherein the user is charged based on the number of uses (e.g. downloads, duration, etc.) is equivalent to the Appellant's "quantity of content." Further, the Appellant argues that "the amount of the fee charged is not linked to the number of uses in

Art Unit: 3628

the database.” However, Examiner notes that a user purchasing a license to use the digital media would be charged based on the number of licenses that user purchases and therefore would be charged on the “quantity of content served.” The Examiner notes the broadest reasonable interpretation of “number of uses” would include “quantity of content served.” Further, Examiner notes during patent examination, the pending claims must be “given their broadest reasonable interpretation consistent with the specification,” moreover the Examiner notes claims of issued patents are interpreted in light of the specification, but during examination, prosecution history, prior art, and other claims, must be interpreted as broadly as their terms reasonably allow (MPEP 2111). Thus, the Examiner interprets Ricci to disclose quantity of content served.

Examiner notes that Appellant’s argument, “Different files will often be different sizes, and Ricci makes no differentiation between files of different size”, is inconsistent with the Appellant’s claim limitations. Appellant is attempting to read in a definition into the claim limitations which lacks support in the specification. Further, the claim limitations are broader than the definition that the Appellant is attempting to argue. Appellant’s specification fails to define the claim limitation in a manner that one of ordinary skill in the art would read “quantity of content served” differently than the Examiner has already done.

Furthermore, Examiner notes that Ferguson et al. further teaches charging a user based on the quantity of content served. Ferguson et al. teaches, “The ability to set fees to be paid by the user *for an amount of data accessed*, the time spent “logged on” to the online service, or the purchase of particular merchandise...” Ferguson et al. thus teaches that it is old and well known in the art to charge a user based a quantity (i.e. amount) of content (data) served (accessed).

Art Unit: 3628

Fourth Issue

Appellant argues with respect to claims 3, 11, 19, 26, 27 and 29 that Ferguson et al. fails to teach paying owners of the affiliate servers a percentage of the fee charged for serving the content. However, Examiner notes that the Ferguson reference was cited for teaching charging or paying users or content providers (C. 9, lines 2-9). Ricci was cited for disclosing, "transfers of the digital media can be made on the bandwidth of the peers rather than the originator, ie. enabling client nodes to become affiliate servers that deliver content to other client nodes (0030). Ferguson et al.'s teaching of paying the content provider or user for the digital media transaction in combination with Ricci's disclosure of peer-to-peer file sharing teaches the Appellant's invention. Paying users who allow other client nodes to download files from their system is a basic economical decision wherein a resource supplier is reimbursed for their resource.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

This examiner's answer contains a new ground of rejection set forth in section (9) above. Accordingly, appellant must within **TWO MONTHS** from the date of this answer exercise one of the following two options to avoid *sua sponte* dismissal of the appeal as to the claims subject to the new ground of rejection:

Art Unit: 3628

(1) Reopen prosecution. Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) Maintain appeal. Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection as set forth in 37 CFR 41.37(c)(1)(vii) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

Respectfully submitted,

Fadey S. Jabr
Examiner
Art Unit 3628

Art Unit: 3628

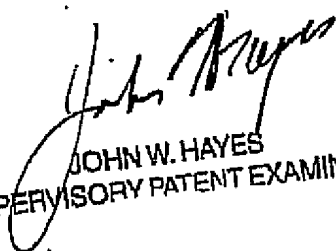
A Technology Center Director or designee must personally approve the new ground(s) of rejection set forth in section (9) above by signing below:

Conferees:

John W. Hayes



Vincent Millin



JOHN W. HAYES
SUPERVISORY PATENT EXAMINER

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Christopher A. Kitze et al.
Serial No. 10/991,718
Filed: 11/17/2004
For: **DIGITAL FILE MARKETPLACE**

Examiner: Fadey S. Jabr
Art Unit: 3628

Mail Stop Appeal Brief – Patents
Commissioner for Patents
PO Box 1450
Alexandria, VA 22313-1450

Sir:

An **APPEAL BRIEF** is filed herewith. The Appellants enclose a payment in the amount of \$510.00 as required by 37 C.F.R. § 1.17(c). If any additional fees are required in association with this appeal brief, the Director is hereby authorized to charge them to Deposit Account 50-1732, and consider this a petition therefor.

APPEAL BRIEF

(1) REAL PARTY IN INTEREST

The present application is owned by Qurio Holdings, Inc. whose corporate headquarters are 1130 Situs Court, Suite 216, Raleigh, NC 27606.

(2) RELATED APPEALS AND INTERFERENCES

There are no related appeals or interferences to the best of the Appellants' knowledge.

(3) STATUS OF CLAIMS

Claims 1, 2, 4-16, 18-30, and 32-41 were rejected with the rejection made final on May 11, 2007.

Claims 3, 17, and 31 were previously cancelled.

Claims 1, 2, 4-16, 18-30, and 32-41 are pending and are the subject of this appeal.

(4) STATUS OF AMENDMENTS

All amendments have been entered to the best of the Appellants' knowledge. No amendments have been filed after the Final Office Action mailed May 11, 2007.

(5) SUMMARY OF CLAIMED SUBJECT MATTER

In the following summary, the Appellants have noted where in the Specification certain subject matter exists. The Appellants wish to point out that these citations are for demonstrative purposes only and that the Specification may include additional discussion of the various elements, citations to which are not pointed out below. Thus, the noted citations are in no way intended to limit the scope of the pending claims.

The present invention relates to a digital marketplace (Figure 1, element 10) where content owners (Figure 1, element 14) upload files (Figure 1, element 12) onto the digital marketplace such that consumers may download the files from the digital marketplace (Specification, p. 5, l. 23 through p. 6, l. 1; see also Figure 1, step 22). When consumers download files, revenue is generated to compensate the content owner and the provider of the digital marketplace and cover fees associated with downloading the file (Specification, p. 6, ll. 3-9; see also Figure 1, steps 24, 26, and 28). For example, a percentage of the revenue goes to the content owner as royalties (Specification, p. 6, ll. 5-7 and p. 7, ll. 14-15; see also Figure 1, step 28 and Figure 2, step 54). In addition, a bandwidth fee associated with the file download and charged to the content owner is deducted from the royalties (Specification, p. 8, ll. 6-8; see also Figure 2, step 60). Furthermore, the remainder of the revenue goes to the provider of the digital marketplace (Specification, p. 8, ll. 6-8).

Independent claim 1 recites a computer-implemented method for providing a digital file marketplace (Figure 1, element 10) on a network, the method comprising the steps of:

- (a) allowing content owners (Figure 1, element 14) to share digital files (Figure 1, element 12) on the digital file marketplace, the digital files being accessible to consumers (Figure 1, element 16) through the network (Specification, p. 5, ll. 19-20; see also Figure 1, step 20);
- (b) generating revenue through the digital file marketplace including charging the consumers fees for receiving or opening the digital files (Specification, p. 6, ll. 3-4; see also Figure 1, step 26); and
- (c) paying a percentage of the revenue to the content owners as royalties (Specification, p. 6, ll. 5-7 and p. 7, ll. 14-15; see also Figure 1, step 28 and Figure 2, step 54), with a remainder of the revenue going to a provider of the digital file marketplace (Specification, p. 8, ll. 6-8), wherein a bandwidth fee charged to the content owners is deducted from the

royalties (Specification, p. 8, ll. 6-8; see also Figure 2, step 60), the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to the consumers through the network (Specification, p. 8, ll. 6-8).

Independent claim 15 recites a computer-readable medium containing programming instructions for providing a digital file marketplace (Figure 1, element 10) on a network, the programming instructions for:

(a) allowing content owners (Figure 1, element 14) to share digital files (Figure 1, element 12) on the digital file marketplace, the digital files being accessible to consumers (Figure 1, element 16) through the network (Specification, p. 5, ll. 19-20; see also Figure 1, step 20);

(b) generating revenue through the digital file marketplace including charging the consumers fees for receiving or opening the digital files (Specification, p. 6, ll. 3-4; see also Figure 1, step 26); and

(c) paying a percentage of the revenue to the content owners as royalties (Specification, p. 6, ll. 5-7 and p. 7, ll. 14-15; see also Figure 1, step 28 and Figure 2, step 54), with a remainder of the revenue going to a provider of the digital file marketplace (Specification, p. 8, ll. 6-8), wherein a bandwidth fee charged to the content owners is deducted from the royalties (Specification, p. 8, ll. 6-8; see also Figure 2, step 60), the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to the consumers through the network (Specification, p. 8, ll. 6-8).

Independent claim 29 recites a system for providing a digital file marketplace (Figure 1, element 10) on a network comprising:

means for allowing content owners (Figure 1, element 14) to share digital files (Figure 1, element 12) on the digital file marketplace, the digital files being accessible to consumers (Figure 1, element 16) through the network (Specification, p. 5, ll. 19-20; see also Figure 1, step 20);

means for generating revenue through the digital file marketplace including charging the consumers fees for receiving or opening the digital files (Specification, p. 6, ll. 3-4; see also Figure 1, step 26); and

means for paying a percentage of the revenue to the content owners as royalties (Specification, p. 6, ll. 5-7 and p. 7, ll. 14-15; see also Figure 1, step 28 and Figure 2, step 54),

with a remainder of the revenue going to a provider of the digital file marketplace (Specification, p. 8, ll. 6-8), wherein a bandwidth fee charged to the content owners is deducted from the royalties (Specification, p. 8, ll. 6-8; see also Figure 2, step 60), the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to the consumers through the network (Specification, p. 8, ll. 6-8).

(6) GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

A. Whether claims 1, 11, 15, 25, 29, and 39 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,282,653 B1 to *Berstis et al.* (hereinafter "*Berstis*") in view of U.S. Patent No. 5,774,654 to *Maki* (hereinafter "*Maki*") and further in view of U.S. Patent Application Publication No. 2002/0152874 A1 to *Vilcauskas et al.* (hereinafter "*Vilcauskas*").

B. Whether claims 2, 16, and 30 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of U.S. Patent No. 6,961,714 B1 to *LeVine* (hereinafter "*LeVine*") and U.S. Patent No. 5,848,398 to *Martin et al.* (hereinafter "*Martin*").

C. Whether claims 4, 18, and 32 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of U.S. Patent No. 5,825,883 to *Archibald* (hereinafter "*Archibald*").

D. Whether claims 5, 19, and 33 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *LeVine*, *Martin*, and *Archibald*.

E. Whether claim 6, 20, and 34 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Levine*, *Martin*, *Archibald*, and U.S. Patent No. 5,982,891 to *Ginter et al.* (hereinafter "*Ginter*").

F. Whether claims 7, 12, 21, 26, 35, and 40 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of U.S. Patent Application Publication No. 2002/0062290 A1 to *Ricci* (hereinafter "*Ricci*").

G. Whether claims 8-10, 22-24, and 36-38 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Ricci* and U.S. Patent No. 6,041,316 to *Allen* (hereinafter "*Allen*").

H. Whether claims 13, 14, 27, 28, and 41 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Ricci* and U.S. Patent No. 6,381,228 B1 to *Prieto, Jr. et al.* (hereinafter "*Prieto*").

(7) ARGUMENT

A. Introduction

The Patent Office has not shown where all the elements of the claim are shown with sufficient particularity to sustain an obviousness rejection. For example, as will be detailed below, the cited references do not disclose the feature of deducting a bandwidth fee from a royalty where the bandwidth fee is associated with a download of a digital file. Moreover, none of the cited references, either alone or in combination, disclose that after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace. As such, the Appellants request that the Board reverse the Examiner and instruct the Examiner to allow the claims for these reasons.

B. Summary of the References

1. U.S. Patent No. 6,282,653 B1 To *Berstis*

Berstis relates to managing royalty collection for material distributed over a computer network. (See *Berstis*, col. 1, ll. 8-10). In particular *Berstis* discloses allowing a copyright owner to maintain a degree of control over copyrighted content after the content has been downloaded to a client machine. (See *Berstis*, col. 2, ll. 42-46). Furthermore, *Berstis* discloses adjusting a content provider account for service or processing fees. (See *Berstis*, col. 8, ll. 26-28). *Berstis* does not disclose what type of service or processing fees are deducted from the content provider account. Additionally, nowhere does *Berstis* disclose that a bandwidth fee, which is associated with a particular download and charged to a content owner, is deducted from the content provider account. Furthermore, as correctly acknowledged by the Patent Office, *Berstis* does not disclose that after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace. (See Final Office Action mailed May 11, 2007, p. 7).

2. U.S. Patent No. 5,774,654 To Maki

Maki relates to a communication terminal which includes a line that accommodates a plurality of communication channels (*See Maki*, col. 6, ll. 19-20). In addition, *Maki* discloses that the communication terminal calculates a communication time on the basis of an amount of transmission data and a number of channels (*See Maki*, col. 1, ll. 49-51). Nevertheless, *Maki* does not disclose deducting a bandwidth fee from a royalty where the bandwidth fee is associated with a download of a digital file. In addition, *Maki* does not disclose that after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

3. U.S. Patent Application Publication No. 2002/0152874 A1 To Vilcauskas

Vilcauskas relates to a system for providing music (*See Vilcauskas*, paragraph 0001). More specifically, *Vilcauskas* discloses a music system having a system and user who obtains songs from the server (*See Vilcauskas*, claim 1). In the system disclosed in *Vilcauskas*, the user has access to audio files based on a membership or fee-based subscription service where the user may purchase a compact disc at retail, or other suitable, price (*See Vilcauskas*, paragraphs 0027 and 0043). Moreover, *Vilcauskas* discloses that a service provider can adjust the fee schedule charged to the user who is purchasing the songs based upon the bandwidth that will be used. (*See Vilcauskas*, paragraph 0040). However, *Vilcauskas* does not teach or suggest charging a bandwidth fee to a content owner. *Vilcauskas* merely states that the service provider can adjust the fee schedule based upon the bandwidth the user will be using to download the songs. (*See Vilcauskas*, paragraph 0040). In other words, *Vilcauskas* allows the service provider to set the fee based on the amount of bandwidth, but the service provider does not necessarily charge a fee corresponding to the cost of the required bandwidth. In addition, *Vilcauskas* adjusts the fees charged to a single user based on the amount of bandwidth used by that single user, whereas the claimed invention recites charging the content owner a bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to multiple users throughout the network. Similarly, *Vilcauskas* does not disclose that a bandwidth fee, which is associated with a particular download, is deducted from a royalty. Thus, *Vilcauskas* does not disclose the feature of deducting a bandwidth fee from a royalty where the bandwidth fee is associated with a

download of a digital file. Likewise, *Vilcauskas* does not disclose that, after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

4. U.S. Patent No. 6,961,714 B1 To *LeVine*

LeVine relates to a method of calculating royalty owner rights. (See *LeVine*, col. 1, ll. 6-7). Particularly, *LeVine* discloses a method of maintaining a registry of users and a database of materials provided to the users. (See *LeVine*, col. 16, ll. 21-23). Furthermore, *LeVine* discloses computing royalty owner rights from the database for at least one of the materials maintained in the database. (See *LeVine*, col. 16, ll. 37-39). Nonetheless, *Levine* does not disclose deducting a bandwidth fee from royalty owner rights where the bandwidth fee is associated with a download of the material from the database. In a similar fashion, *LeVine* does not disclose that after royalty owner rights have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

5. U.S. Patent No. 5,848,398 To *Martin*

Martin relates to managing a plurality of computer jukeboxes from a remote location. (See *Martin*, col. 1, ll. 12-14). More specifically, *Martin* discloses a computer jukebox which stores advertisements and data representing when the advertisements are run. (See *Martin*, col. 9, ll. 49-53). However, *Martin* does not disclose deducting a bandwidth fee from a royalty where the bandwidth fee is associated with a download of a digital file. In addition, *Martin* does not disclose that after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

6. U.S. Patent No. 5,825,883 To *Archibald*

Archibald discloses generating accounting data for use in a communication network. (See *Archibald*, col. 20, ll. 57-58). More specifically, *Archibald* discloses embedding a tariff file within a digital application. (See *Archibald*, Abstract). According to *Archibald*, a meter module generates accounting data using the embedded tariff file. (See *Archibald*, Abstract). However, while *Archibald* discloses generating accounting data, *Archibald* does not disclose deducting a bandwidth fee associated with a download of the digital application from a royalty. Moreover,

Archibald does not disclose that, after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

7. U.S. Patent No. 5,982,891 To *Ginter*

Ginter generally relates to secure transaction management. (See *Ginter*, col. 1, ll. 12-13). In particular, *Ginter* discloses a virtual distribution environment which may be used to protect the rights of participants in electronic commerce and other electronic transactions. (See *Ginter*, Abstract). *Ginter* discloses establishing controls between first, second and third parties thereby forming a control arrangement. (See *Ginter*, col. 320, ll. 19-24). In addition, *Ginter* discloses that secure transactions are performed using the control arrangement. (See *Ginter*, col. 320, ll. 24-31). In spite of disclosing securing transactions between various parties over a virtual distribution environment, *Ginter* does not disclose deducting a bandwidth fee associated with a download of a digital application from a royalty. Similarly, *Ginter* does not disclose that, after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

8. U.S. Patent Application Publication No. 2002/0062290 A1 To *Ricci*

Ricci discloses distributing digital files across a network and licensing the distributed digital files. (See *Ricci*, paragraph 0003). In particular, *Ricci* discloses a method which ensures that a user will pay an owner an appropriate royalty. (See *Ricci*, paragraph 0022). *Ricci* accomplishes this goal by first allowing a user to download content from a server. (See *Ricci*, paragraph 0021). *Ricci* then discloses that the server records information pertaining to the user and the digital content the user downloaded. (See *Ricci*, paragraph 0021). However, nowhere does *Ricci* mention anything about bandwidth fees, much less deducting a bandwidth fee associated with downloaded content from a royalty. Similarly, *Ricci* does not disclose that after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

9. U.S. Patent No. 6,041,316 To *Allen*

Allen relates to a method for ensuring the payment of royalties for copyrighted data which is delivered over a communication network. (See *Allen*, col. 1, ll. 10-12). Particularly,

Allen discloses that a partially degraded version of data, which is substantially recognizable, is transmitted to a user when a user has not paid a royalty. (*See Allen*, col. 2, ll. 33-48). When the user pays a royalty, *Allen* discloses that a higher quality version of the data is transmitted to the user. (*See Allen*, col. 2, ll. 38-51). However, *Allen* makes no mention of bandwidth fees nor does *Allen* disclose deducting a bandwidth fee associated with downloaded content from a royalty. Likewise, *Allen* does not disclose that after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

10. U.S. Patent No. 6,381,228 B1 To Prieto

Prieto relates to a protocol for use in connection with a processing satellite communications network that allows multiple users to efficiently use a common uplink transmission resource. (*See Prieto*, col. 1, ll. 11-14). *Prieto* discloses a terminal which transmits a reservation request to a satellite where the request bids on an available time slot to transmit data. (*See Prieto*, col. 12, ll. 40-48). In addition, *Prieto* discloses a processor disposed on the satellite which determines whether or not to grant or deny the request. (*See Prieto*, col. 12, ll. 54-58). *Prieto* does not disclose bandwidth fees nor does the reference disclose deducting a bandwidth fee associated with downloaded content from a royalty. Likewise, *Prieto* does not disclose that after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace.

C. Legal Standards for Establishing Obviousness

Section 103(a) of the Patent Act provides the statutory basis for an obviousness rejection and reads as follows:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Courts have interpreted 35 U.S.C. § 103(a) as a question of law based on underlying facts. As the Federal Circuit stated:

Obviousness is ultimately a determination of law based on underlying determinations of fact. These underlying factual determinations include: (1) the

scope and content of the prior art; (2) the level of ordinary skill in the art; (3) the differences between the claimed invention and the prior art; and (4) the extent of any proffered objective indicia of nonobviousness.

Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH, 45 U.S.P.Q.2d (BNA) 1977, 1981 (Fed. Cir. 1998) (internal citations omitted).

Once the scope of the prior art is ascertained, the content of the prior art must be properly combined. “Often, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demand known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue. To facilitate review, this analysis should be made explicit. See *In re Kahn*, 441 F. 3d 977, 988 (CA Fed. 2006) (“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”).” *KSR Int’l v. Teleflex, Inc.*, No. 04-1350, slip op. at 14 (U.S., Apr. 30, 2007).

Some elements may be inherent within the reference. “To establish inherency, the extrinsic evidence ‘must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill.’” *In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999) (quoting *Cont’l Can Co. v. Monsanto Co.*, 948 F.2d 1264, 1268 (Fed. Cir. 1991)). “The mere fact that a certain thing may result from a given set of circumstances is not sufficient.” *Id.* (citation and quotation omitted). Thus, the possibility that an element may be derived from the reference is insufficient to establish that said element is inherent to the reference.

Whether an element is implicitly or explicitly taught by a reference or combination of references is open to interpretation. While the Patent Office is entitled to give claim terms their broadest reasonable interpretation, this interpretation is limited by a number of factors. First, the interpretation must be consistent with the specification. *In re Hyatt*, 211 F.3d 1367, 1372 (Fed. Cir. 2000); MPEP § 2111. Second, the broadest reasonable interpretation of the claims must also be consistent with the interpretation that those skilled in the art would reach. *In re Cortright*, 165 F.3d 1353, 1359, (Fed. Cir. 1999); MPEP § 2111. Finally, the interpretation must be reasonable. *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1369 (Fed. Cir. 2004); MPEP §

2111.01. This means that the words of the claim must be given their plain meaning unless Appellant has provided a clear definition in the specification. *In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989).

If a claim element is missing after the combination is made, then the combination does not render obvious the claimed invention, and the claims are allowable. As stated by the Federal Circuit, “[if] the PTO fails to meet this burden, then the Appellant is entitled to the patent.” *In re Glaug*, 283 F.3d 1335, 1338 (Fed. Cir. 2002).

D. Claims 1, 2, 4-16, 18-30, And 32-41 Are Patentable Over The Cited References

1. None Of The Cited References, Either Alone Or In Combination, Disclose That A Bandwidth Fee Which Is Associated With A Download Of A Digital File And Charged To A Content Owner Is Deducted From A Royalty

Claims 1, 11, 15, 25, 29, and 39 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and further in view of U.S. Patent Application *Vilcauskas*. The Appellants respectfully traverse the rejection.

According to Chapter 2143.03 of the M.P.E.P., in order to establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught by the prior art. The Appellants submit that none of the references, either singularly or in combination, disclose all the features recited in claims 1, 11, 15, 25, 29, and 39. More specifically, claim 1 recites a method for providing a digital file marketplace comprising, among other features, paying royalties to an owner where “a bandwidth fee charged to the content owners is deducted from the royalties, the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files.” Claims 15 and 29 include similar features. The Appellants submit that none of the references, either alone or in combination, disclose that a bandwidth fee which is associated with a download of a digital file and charged to a content owner is deducted from a royalty. In maintaining the rejection, the Patent Office asserts that it has been held that payment schemes are not patentably distinct and proffers various scenarios which, according to the Patent Office, are not patentably distinct (*See* Final Office Action mailed May 11, 2007, p. 2). First, the Appellants wish to point out that the Patent Office does not give any citations, to either case law or the M.P.E.P., indicating where it has been held that payment schemes are not patentably distinct. In

fact, the Appellants have searched both the case law and the M.P.E.P. and submit that nowhere does either comport with these assertions.

Second, the various scenarios described by the Patent Office are not related to the present invention. Particularly, the Patent Office opines that a digital marketplace that charges content owners bandwidth fees for each specific file download is not patentably distinct from a digital file marketplace that charges content owners bandwidth fees for every ten file downloads. (See Final Office Action mailed May 11, 2007, p. 2). The Patent Office proceeds to state that a digital marketplace that charges a user for every downloaded file is not patentably distinct from a marketplace that charges a user a subscription fee where the user can download several items for one monthly payment. (See Final Office Action mailed May 11, 2007, pp. 2 and 3). Again, the Patent Office has not provided any citations to support these scenarios. That problem notwithstanding, even assuming *arguendo* that these scenarios are not patentable, the Appellants submit that the recitation in the present claims is vastly different from the scenarios proffered in the Final Office Action mailed May 11, 2007. As mentioned above, the present claims recite that a bandwidth fee which is associated with a download of a digital file and charged to a content owner is deducted from a royalty. The Appellants submit that the scenarios described by the Patent Office relate to the frequency with which a party is charged a fee. The Appellants are not claiming the frequency with which a party is charged a fee. Instead, the Appellants are claiming that a bandwidth fee is deducted from a royalty.

In maintaining the rejection, the Patent Office also states that *Berstis* discloses the feature of deducting a bandwidth fee associated with a download of a digital file from a royalty in col. 8, ll. 17-28, ll. 36-39 and ll. 47-50. (See Final Office Action mailed May 11, 2007, p. 3). It should be noted that further on in the Final Office Action mailed May 11, 2007, the Patent Office states *Berstis* fails to explicitly disclose "a bandwidth fee charged to the content owners is deducted from the royalties." (See Final Office Action mailed May 11, 2007, p. 7). This inconsistency aside, at most, the cited portions of *Berstis* disclose that a content provider account is adjusted for service or processing fees. (See *Berstis*, col. 8, ll. 26-28). However, as acknowledged by the Patent Office, nowhere does *Berstis* disclose that the service or processing fees correspond to a bandwidth fee which is associated with a particular download. (See Advisory Action mailed August 3, 2007, p. 2). Furthermore, nowhere does the cited portion of *Berstis* disclose deducting a bandwidth fee which is associated with a particular download of a digital file, and which is

charged to a content owner, from a royalty. Similarly, *Maki* does not disclose this feature. Regarding *Vilcauskas*, while the reference does disclose a fee schedule based on the bandwidth of a file transfer, *Vilcauskas* does not disclose that a bandwidth fee associated with a download of a digital file which is charged to a content owner is deducted from a royalty. (See *Vilcauskas*, paragraph 0040).

2. None Of The Cited References, Either Alone Or In Combination, Disclose That After Royalties Have Been Paid To A Content Owner, A Remainder Of Revenue Goes To A Provider Of A Digital File Marketplace

Claim 1 also recites paying a percentage of revenue to content owners as royalties, with “a remainder of the revenue” going to a provider of the digital file marketplace. The Appellants submit that none of the references, either alone or in combination, disclose that after royalties have been paid to a content owner, a remainder of revenue goes to a provider of a digital file marketplace. As correctly pointed out by the Patent Office, *Berstis* does not disclose this feature. (See Final Office Action mailed May 11, 2007, p. 7).

Similarly, *Maki* does not disclose this feature. Nevertheless, the Patent Office supports the rejection by asserting that *Maki* discloses calculating a usage for a communication line on the basis of charge information associated with the communication time and line at col. 1, ll. 47-54. (See Office Action mailed June 13, 2006, p. 4). The Appellants respectfully disagree. At most, *Maki* discloses a means for calculating a communication time on the basis of an amount of transmission data and a means for calculating a usage for a line. (See *Maki*, col. 2, ll. 48-51). Moreover, *Maki* teaches that the cost for line usage of a communication line for a particular time can be calculated and that the number of communication lines can be selected on the basis of the calculated cost (See *Maki*, col. 5, ll. 23-67). However, *Maki* does not disclose that a remainder of revenue goes to a provider of a digital marketplace.

Vilcauskas also does not disclose that after royalties have been paid to a content owner, a remainder of revenue goes to a provider of a digital file marketplace. As mentioned above, at most *Vilcauskas* discloses a fee schedule based upon the bandwidth for a file transfer. However, *Vilcauskas* does not disclose that a remainder of revenue, after royalties have been paid from the revenue, goes to a provider of a digital marketplace. Therefore, none of the references, either singularly or in combination, disclose all the features recited in claims 1, 15, and 29 and the Appellants respectfully request that the rejection be withdrawn. Likewise, claims 11, 25, and 39,

which variously depend from claims 1, 15, and 29, are patentable for at least the same reasons along with the additional novel features recited therein.

3. Claims 2, 16, And 30 Are Patentable Over The Cited References

Claims 2, 16, and 30 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *LeVine* and *Martin*. The Appellants respectfully traverse the rejection. As detailed above, neither *Berstis*, *Maki*, nor *Vilcauskas*, either singularly or in combination, discloses all the features recited in claims 1, 15, and 29, the base claims from which claims 2, 16, and 30 respectively depend. In addition, neither *Martin* nor *LeVine*, either singularly or in combination, overcomes the previously noted shortcomings of *Berstis*, *Maki*, and *Vilcauskas*. Accordingly, claims 2, 16, and 30 are patentable over the cited references.

4. Claims 4, 18, And 32 Are Patentable Over The Cited References

Claims 4, 18, and 32 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Archibald*. The Appellants respectfully traverse the rejection. As outlined above, neither *Berstis*, *Maki*, nor *Vilcauskas*, either singularly or in combination, discloses all the features recited in claims 1, 15, and 29, the base claims from which claims 4, 18, and 32 respectively depend. In addition, *Archibald* does not address the problems of *Berstis*, *Maki*, and *Vilcauskas* discussed above. As such, claims 4, 18, and 32 are patentable over the cited references.

5. Claims 5, 19, And 33 Are Patentable Over The Cited References

Claims 5, 19, and 33 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *LeVine*, *Martin*, and *Archibald*. The Appellants respectfully traverse the rejection. As illustrated above, neither *Berstis*, *Maki*, nor *Vilcauskas*, either singularly or in combination, discloses all the features recited in claims 1, 15, and 29, the base claims from which claims 5, 19, and 33 respectively depend. Similarly, as mentioned above, neither *LeVine*, *Martin*, nor *Archibald*, either singularly or in combination, overcomes the previously noted shortcomings of *Berstis*, *Maki*, and *Vilcauskas*. Thus, claims 5, 19, and 33 are patentable over the cited references.

6. Claims 6, 20, And 34 Are Patentable Over The Cited References

Claims 6, 20, and 34 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Levine*, *Martin*, *Archibald*, and *Ginter*. The Appellants respectfully traverse the rejection. As outlined above, neither *Berstis*, *Maki*, *Vilcauskas*, *Levine*, *Martin*, nor *Archibald*, either singularly or in combination, discloses all the features recited in claims 1, 15, and 29, the base claims from which claims 6, 20, and 34 respectively depend. Moreover, *Ginter* does not overcome the previously noted shortcomings of *Berstis*, *Maki*, *Vilcauskas*, *Levine*, *Martin*, or *Archibald*. Therefore, claims 6, 20, and 34 are patentable over the cited references.

7. Claims 7, 12, 21, 26, 35, And 40 Are Patentable Over The Cited References

Claims 7, 12, 21, 26, 35, and 40 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Ricci*. The Appellants respectfully traverse the rejection. As shown above, neither *Berstis*, *Maki*, nor *Vilcauskas*, either singularly or in combination, discloses all the features recited in claims 1, 15, and 29, the base claims from which claims 7, 12, 21, 26, 35, and 40 variously depend. In addition, *Ricci* does not overcome the previously noted shortcomings of *Berstis*, *Maki*, and *Vilcauskas*. As such, claims 7, 12, 21, 26, 35, and 40 are patentable over the cited references.

8. Claims 8-10, 22-24, And 36-38 Are Patentable Over The Cited References

Claims 8-10, 22-24, and 36-38 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Ricci* and *Allen*. The Appellants respectfully traverse the rejection. As indicated above, *Berstis*, *Maki*, *Vilcauskas*, and *Ricci* do not disclose all the features recited in claims 1, 15, 29, the base claims from which claims 8-10, 22-24, and 36-38 variously depend. Furthermore, *Allen* does not address the previously noted shortcomings of *Berstis*, *Maki*, *Vilcauskas*, and *Ricci*. Thus, claims 8-10, 22-24, and 36-38 are patentable over the cited references.

9. Claims 13, 14, 27, 28, And 41 Are Patentable Over The Cited References

Claims 13, 14, 27, 28, and 41 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Berstis* in view of *Maki* and *Vilcauskas*, and further in view of *Ricci* and *Prieto*. The Appellants respectfully traverse the rejection. As detailed above, *Berstis*, *Maki*, *Vilcauskas*, and *Ricci* do not disclose all the features recited in claims 1, 15, and 29, the base claims from which claims 13, 14, 27, 28, and 41 variously depend. Moreover, *Prieto* does not address the problems associated with *Berstis*, *Maki*, *Vilcauskas*, and *Ricci*. As such, claims 13, 14, 27, 28, and 41 are patentable over the cited references.


J. Conclusion

As set forth above, none of the cited references, either alone or in combination, disclose the feature of deducting a bandwidth fee from a royalty where the bandwidth fee is associated with a download of a digital file. Additionally, none of the cited references, either alone or in combination, disclose that after royalties have been paid to an owner, a remainder of the revenue goes to a provider of a digital marketplace. As such, the Appellants request that the Board reverse the Examiner and instruct the Examiner to allow the claims.

Respectfully submitted,

WITHROW & TERRANOVA, P.L.L.C.

By:


Anthony J. Josephson
Registration No. 45,742
100 Regency Forest Drive, Suite 160
Cary, NC 27518
Telephone: (919) 238-2300

Date: October 15, 2007
Attorney Docket: 1104-033

(8) CLAIMS APPENDIX

1. A computer-implemented method for providing a digital file marketplace on a network, the method comprising the steps of:

- (a) allowing content owners to share digital files on the digital file marketplace, the digital files being accessible to consumers through the network;
- (b) generating revenue through the digital file marketplace including charging the consumers fees for receiving or opening the digital files; and
- (c) paying a percentage of the revenue to the content owners as royalties, with a remainder of the revenue going to a provider of the digital file marketplace, wherein a bandwidth fee charged to the content owners is deducted from the royalties, the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to the consumers through the network.

2. The method of claim 1, wherein step (c) further includes the steps of:

- (i) calculating a royalty pool over a predetermined period of time; and
- (ii) calculating a royalty payment for each content owner by dividing the royalty pool by a number of content owners participating during the predetermined time period based on actual consumption of digital files associated with each content owner.

3. (Cancelled).

4. The method of claim 1, wherein step (c) further includes the step of:

- (iv) providing each content owner with a choice of receiving a corresponding royalty payment as a credit charged to a credit card account, or as a check mailed to an address of record.

5. The method of claim 2, wherein step (c)(i) further includes the step of calculating the royalty pool on one of a daily, weekly, or monthly basis.

6. The method of claim 2, wherein step (c)(ii) further includes defining consumption as at least one of a number of digital files delivered, a total size of a digital file delivered, or money per digital file paid for a digital file by a consumer.
7. The method of claim 1, wherein the network includes at least one server node and multiple client nodes, step (b) further including the steps of:
 - (i) enabling peer-to-peer file sharing of content including,
 - (1) initiating on one client node a download of a particular content item served from the server node or another client node, and
 - (2) charging a fee based on a quantity of the content served.
8. The method of claim 7, wherein step (b) further includes the step of:
 - (ii) enabling decentralized downloads of subscription-based content including,
 - (1) allowing the client nodes to subscribe to one or more of the subscription-based content,
 - (2) periodically sending the subscription-based content to each of the respective subscribing client nodes, and
 - (3) charging a fee to providers of the subscription-based content for serving the subscription-based content.
9. The method of claim 7, wherein the content includes free content and fee-based content, step(b)(i)(2) further including the steps of:
 1. charging a fee from a provider of the free content for serving the free content, and
 2. charging a fee from a user receiving the fee-based content.
10. The method of claim 8, wherein the subscription-based content includes free content and fee-based content, step(b)(ii)(3) further including the step of: charging a fee from a consumer of the subscribing client nodes for receiving the fee-based content.

11. The method of claim 1, further including the step of implementing the digital file marketplace as a website.
12. The method of claim 1, further including the step of implementing the digital file marketplace as a peer-to-peer network.
13. The method of claim 13, furthering including the step of:
 - (d) allowing consumers to become affiliates of the digital file marketplace where unused bandwidth of a given computer of a consumer is used to deliver a digital file to other consumers, and paying the affiliates of the network as an incentive for donating the unused bandwidth to the network.
14. The method of claim 13, furthering including the step of paying the affiliates for referring new consumers to the network.
15. A computer-readable medium containing programming instructions for providing an digital file marketplace on a network, the programming instructions for:
 - (a) allowing content owners to share digital files on the digital file marketplace, the digital files being accessible to consumers through the network;
 - (b) generating revenue through the digital file marketplace including charging the consumers fees for receiving or opening the digital files; and
 - (c) paying a percentage of the revenue to the content owners as royalties, with a remainder of the revenue going to a provider of the digital file marketplace, wherein a bandwidth fee charged to the content owners is deducted from the royalties, the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to the consumers through the network.
16. The computer-readable medium of claim 15, wherein instruction (c) further includes the instructions of:
 - (i) calculating a royalty pool over a predetermined period of time; and

(ii) calculating a royalty payment for each content owner by dividing the royalty pool by a number of content owners participating during the predetermined time period based on actual consumption of digital files associated with each content owner.

17. (Cancelled).

18. The computer-readable medium of claim 15, wherein instruction (c) further includes the instruction of:

(iv) providing each content owner with a choice of receiving a corresponding royalty payment as a credit charged to a credit card account, or as a check mailed to an address of record.

19. The computer-readable medium of claim 16, wherein instruction (c)(i) further includes the instruction of calculating the royalty pool on one of a daily, weekly, or monthly basis.

20. The computer-readable medium of claim 16, wherein instruction (c)(ii) further includes an instruction of defining consumption as at least one of a number of digital files delivered, a total size of a digital file delivered, or money per digital file paid for a digital file by a consumer.

21. The computer-readable medium of claim 15, wherein the network includes at least one server node and multiple client nodes, instruction (b) further including the instructions of:

- (i) enabling peer-to-peer file sharing of content including,
 - (1) initiating on one client node a download of a particular content item served from the server node or another client node, and
 - (2) charging a fee based on a quantity of the content served.

22. The computer-readable medium of claim 21, wherein instruction (b) further includes the instruction of:

- (i) enabling decentralized downloads of subscription-based content including,
 - (1) allowing the client nodes to subscribe to one or more of the subscription-based content,

- (2) periodically sending the subscription-based content to each of the respective subscribing client nodes, and
- (3) charging a fee to providers of the subscription-based content for serving the subscription-based content.

23. The computer-readable medium of claim 21, wherein the content includes free content and fee-based content, instruction(b)(i)(2) further including the instructions of:

- 1. charging a fee from a provider of the free content for serving the free content, and
- 2. charging a fee from a user receiving the fee-based content.

24. The computer-readable medium of claim 22, wherein the subscription-based content includes free content and fee-based content, instruction (b)(ii)(3) further including the instruction of: charging a fee from a consumer of the subscribing client nodes for receiving the fee-based content.

25. The computer-readable medium of claim 15, further including the step of implementing the marketplace as a website.

26. The computer-readable medium of claim 15, further including the step of implementing the marketplace as a peer-to-peer network.

27. The computer-readable medium of claim 26 further including the instruction of:

- (d) allowing consumers to become affiliates of the digital file marketplace where unused bandwidth of a given computer of a consumer is used to deliver a digital file to other consumers, and paying the affiliates of the network as an incentive for donating the unused bandwidth to the network.

28. The computer-readable medium of claim 27, further including the step of paying the affiliates for referring new consumers to the network.

29. A system for providing a digital file marketplace on a network comprising:
means for allowing content owners to share digital files on the digital file marketplace, the digital files being accessible to consumers through the network;
means for generating revenue through the digital file marketplace including charging the consumers fees for receiving or opening the digital files; and
means for paying a percentage of the revenue to the content owners as royalties, with a remainder of the revenue going to a provider of the digital file marketplace, wherein a bandwidth fee charged to the content owners is deducted from the royalties, the bandwidth fee corresponding to a cost of a bandwidth required to distribute the digital files to the consumers through the network.
30. The system of claim 29, wherein the means for paying royalties further includes calculating a royalty pool over a predetermined period of time, and calculating a royalty payment for each content owner by dividing the royalty pool by a number of content owners participating during the predetermined time period based on actual consumption of digital files associated with each content owner.
31. (Cancelled).
32. The system of claim 29, wherein the means for paying royalties further includes providing each content owner with a choice of receiving a corresponding royalty payment as a credit charged to a credit card account, or as a check mailed to an address of record.
33. The system of claim 30, wherein the royalty pool is calculated on one of a daily, weekly, or monthly basis.
34. The system of claim 30, wherein consumption is defined as at least one of a number of digital files delivered, a total size of a digital file delivered, or money per digital file paid for a digital file by a consumer.

35. The system of claim 29, wherein the network includes at least one server node and multiple client nodes, and peer-to-peer file sharing of content is enabled by initiating on one client node a download of a particular content item served from the server node or another client node, and charging a fee based on a quantity of the content served.

36. The system of claim 35, wherein the means for generating revenue includes enabling decentralized downloads of subscription-based content including,

- (1) allowing the client nodes to subscribe to one or more of the subscription-based content,
- (2) periodically sending the subscription-based content to each of the respective subscribing client nodes, and
- (3) charging a fee to providers of the subscription-based content for serving the subscription-based content.

37. The system of claim 35, wherein the content includes free content and fee-based content, and wherein a fee is charged to a provider of the free content for serving the free content, and a fee is charge to a user receiving the fee-based content.

38. The system of claim 36, wherein the subscription-based content includes free content and fee-based content, and wherein a fee is charged to a consumer of the subscribing client nodes for receiving the fee-based content.

39. The system of claim 29, further including the step of implementing the digital file marketplace as a website.

40. The system of claim 29, further including the step of implementing the digital file marketplace as a peer-to-peer network.

41. The system of claim 40, further including means for allowing consumers to become affiliates of the digital file marketplace where unused bandwidth of a given computer of a

consumer is used to deliver a digital file to other consumers, and paying the affiliates of the network as an incentive for donating the unused bandwidth to the network.

(9) EVIDENCE APPENDIX

The Appellants rely on no evidence, thus this appendix is not applicable.

(10) RELATED PROCEEDINGS APPENDIX

As there are no related proceedings, this appendix is not applicable.

Exhibit C

Electronic Acknowledgement Receipt

EFS ID:	1475848
Application Number:	10082884
International Application Number:	
Confirmation Number:	5658
Title of Invention:	<p style="text-align: center;">DOCKETED <u>ME #1130107</u></p> <p>Method and system for automatically distributing fees, including a reseller commission, during a digital file transaction</p>
First Named Inventor/Applicant Name:	Vijay Vaidyanathan
Customer Number:	27820
Filer:	Benjamin Withrow/Michelle Heymann
Filer Authorized By:	Benjamin Withrow
Attorney Docket Number:	2060CIP2CIP
Receipt Date:	30-JAN-2007
Filing Date:	26-FEB-2002
Time Stamp:	13:24:08
Application Type:	Utility

Payment information:

Submitted with Payment	no
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File Listing:

Document Number	Document Description	File Name	File Size(Bytes)	Multi Part /.zip	Pages (If appl.)
1	Reply Brief Filed	Reply_Brief_1-30-07.pdf	396649	no	3

Warnings:

Information:**Total Files Size (in bytes):**

396649

This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

New International Application Filed with the USPTO as a Receiving Office

If a new international application is being filed and the international application includes the necessary components for an international filing date (see PCT Article 11 and MPEP 1810), a Notification of the International Application Number and of the International Filing Date (Form PCT/RO/105) will be issued in due course, subject to prescriptions concerning national security, and the date shown on this Acknowledgement Receipt will establish the international filing date of the application.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Vijay Vaidyanathan et al.

Serial No. 10/082,884

Filed: 02/26/2002

Examiner: Bradley B. Bayat

Art Unit: 3621

**For: METHOD AND SYSTEM FOR AUTOMATICALLY DISTRIBUTING FEES,
INCLUDING A RESELLER COMMISSION, DURING A DIGITAL FILE
TRANSACTION**

Mail Stop Appeal Brief – Patents

Commissioner for Patents

PO Box 1450

Alexandria, VA 22313-1450

Sir:

A **REPLY BRIEF** is filed herewith in response to the Examiner's Answer having a mailing date of December 7, 2006. If any fees are required in association with this Reply Brief, the Director is hereby authorized to charge them to Deposit Account 50-1732, and consider this a petition therefor.

REPLY BRIEF

A. Introduction

The Applicants respectfully submit that claims 1-42 are patentable over *Wolfe* in view of *Gervais*. In particular, neither reference, either alone or in combination, discloses or suggests all the features recited in claims 1-42. As such, these claims are patentable.

B. Argument

Claims 1-42 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Wolfe* in view of *Gervais*. The Applicants respectfully traverse the rejection.

According to Chapter 2143.03 of the M.P.E.P., in order to “establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art.” The Applicants respectfully submit that neither *Wolfe* nor *Gervais*, either alone or in combination, disclose or suggest all the features recited in claims 1-42. More specifically, claim 1 recites a method for enabling electronic delivery of files comprising, among other features, maintaining a data repository which includes “business rules associated with each file that define electronic transfer of the files during commercial transactions.” Claims 15 and 29 include similar features. The Applicants respectfully submit that neither *Wolfe* nor *Gervais*, either alone or in combination, disclose or suggest a data repository, which includes business rules associated with a file. Further, neither *Wolfe* nor *Gervais* provide business rules that define the electronic transfer of the file during a commercial transaction. In maintaining the rejection, the Patent Office indicates that *Wolfe* discloses this feature at paragraphs [0018] and [0064] (See Examiner’s Answer, page 3). The Applicants respectfully submit that neither of these passages disclose or suggest business rules associated with a file or that the business rules define the electronic transfer of a file during a commercial transaction. In fact, nowhere does *Wolfe* disclose or even suggest this feature. Similarly, *Gervais* does not disclose or suggest this feature.

Claim 1 also recites retrieving from a data repository “the business rules associated with the file identified in the RURL” in response to a second user clicking on a link to download a file. Claims 15 and 29 include similar features. The Applicants submit that neither *Wolfe* nor *Gervais*, either singularly or in combination, disclose or suggest retrieving business rules associated with a file in response to a user clicking on a link to download the file. As detailed above, none of the cited references disclose or suggest business rules associated with a file.

Therefore, it follows that neither reference can disclose or suggest retrieving business rules that are associated with a file.

Claim 1 also recites retrieving the business rules "to customize the download of the file to the second user." Claims 15 and 29 include similar features. The Applicants respectfully submit that neither *Wolfe* nor *Gervais*, either singularly or in combination, disclose or suggest retrieving business rules to customize downloading a file to a second user. As mentioned above, neither reference discloses or suggests business rules. As such, neither reference can disclose or suggest business rules to customize the download of a file to a second user. Accordingly, for this reason and the reasons noted above, claims 1, 15, and 29 are patentable over the cited references. Likewise, claims 2-14, 16-28, and 30-42, which depend from claims 1, 15, and 29 respectively, are patentable for at least these reasons and the novel features recited therein.

C. Conclusion

As detailed above, neither *Wolfe* nor *Gervais*, either singularly or in combination, disclose or suggest all the features recited in claims 1-42. Specifically, none of the cited references disclose or suggest business rules that are associated with each file where the business rules define electronic transfer of each file during commercial transactions. In addition, neither reference, either alone or in combination, discloses or suggests retrieving business rules associated with a file to customize the download of the file. Therefore, claims 1-42 are patentable over *Wolfe* in view of *Gervais*.

Respectfully submitted,

WITHROW & TERRANOVA, P.L.L.C.

By: 

Benjamin S. Withrow
Registration No. 40,876
P.O. Box 1287
Cary, NC 27512
Telephone: (919) 654-4520

Date: January 30, 2007

Attorney Docket: 1104-034



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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/082,884	02/26/2002	Vijay Vaidyanathan	2060CIP3CIP 1104-034	5658
27820	7590	12/07/2006	EXAMINER	
WITHROW & TERRANOVA, P.L.L.C. P.O. BOX 1287 CARY, NC 27512			BAYAT, BRADLEY B	
			ART UNIT	PAPER NUMBER
			3621	

DATE MAILED: 12/07/2006

DOCKETED

KAF 12/13/06

Please find below and/or attached an Office communication concerning this application or proceeding.



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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 10/082,884
Filing Date: February 26, 2002
Appellant(s): VAIDYANATHAN ET AL.

Benjamin S. Withrow
For Appellant

MAILED
DEC 07 2006
GROUP 3600

EXAMINER'S ANSWER

This is in response to the appeal brief filed September 15, 2006 appealing from the Office action mailed February 28, 2006.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

2003/0023687 A1

Wolfe

1-2003

Geravis (Electronic Rights Management and Digital Identifier Systems, March 1999, The Journal of Electronic Publishing, Volume 4, Issue 3, pp.1-25).

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 103

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

Claims 1-42 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wolfe (US 2003/0023687 A1) in view of Geravis (Electronic Rights Management and Digital Identifier Systems, March 1999, The Journal of Electronic Publishing, Volume 4, Issue 3, pp.1-25).

1 Wolfe discloses a method for enabling electronic delivery of files in a digital marketplace, the method comprising the steps of:

(a) maintaining a data repository for storing information relating to the files available in the digital marketplace, including business rules associated with each file that define electronic transfer of the files during commercial transactions (§18, 64);

(b) in response to a first user requesting to resell a particular file and thereby becoming a reseller, using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file (column 15, lines 21-25);

(c) providing the RURL to the reseller for posting on a website in order to make the file commercially available to others on the website (§16-27); and

(d) in response to a second user clicking on a link to download the file, retrieving from the data repository the business rules associated with the file identified in the RURL to

Art Unit: 3621

customize the download of the file to the second user and to automatically distribute payments to the reseller (§27, 73-74).

Although Wolfe discloses that any automatic execution can be programmed for processing payments (§83), it does not explicitly disclose automatically distributing payment an owner of the file.

Geravis, however, teaches an electronic rights management and digital identifier system wherein payment can be distributed automatically to content owners through links either directly or through an aggregator of data or third party (i.e., an affiliate or reseller) identifying usage of their files while preserving confidentiality (pp.18-20). In fact, as per applicant's specification on page 6, lines 15-17, applicant gives examples of "content owners" as being "shareware publishers, musicians, artists and designers." Thus, applicant's recited claims are directed to a "content owner" as anyone besides a third party reseller or affiliate (specification page 6, lines 17-18). It would have been obvious to one of ordinary skill in the art at the time of the invention to include automatic disbursement of payment to all parties, including the owner or creator of content for reliable and efficient tracking and reporting of royalties and commissions, as per teachings of Wolfe (§3-4) and Geravis (pp. 17-22).

2 The method of claim 1 wherein step (a) further includes the step of: providing within the business rules a pricing model associated with the file (§21).

3 The method of claim 2 wherein step (a) further includes the step of: storing a record for each file that includes fields for identifying a location of the file and the owner of the file (§45, 53-55).

4 The method of claim 3 wherein step (a) further includes the step of: providing each record with a file ID, a file name, a content owner ID, metafile information, a fingerprint, and the business rules (§43, 74-77, 85-86).

5 The method of claim 4 wherein step (a) further includes the step of: providing the business rules with a redistributable indicator that indicates whether the file is redistributable (§27).

6 The method of claim 4 wherein step (a) further includes the step of: using the fingerprint to uniquely identify each file by content of the file (§52-62).

7 The method of claim 6 wherein step (a) further includes the step of: generating a bitstream ID by calculating binary values in data blocks of the file (§68-74).

8 The method of claim 2 wherein step (d) further includes the step of: (i) charging the second user a retail price for downloading the file (§53).

9 The method of claim 8 wherein step (a) further includes the step of: (i) allowing the content owner to set the retail price and a reseller commission both positively and negatively (§21).

10 The method of claim 2 wherein step (b) further includes the step of: (i) providing the RURL with a web address of the marketplace, the file ID, and the user ID of the reseller (§68-75).

Art Unit: 3621

11 The method of claim 10 wherein step (b) further includes the step of: (i) providing the RURL by displaying the RURL and allowing the reseller to copy and paste the RURL on the website (¶45, 65).

12 The method of claim 10 wherein step (b) further includes the step of: (i) providing the RURL via email (¶28, 59, 75).

13 The method of claim 1 further including the step of: implementing the digital marketplace as a website on a network (fig 8 and associated text).

14 The method of claim 1 further including the step of: implementing the digital marketplace as a peer-to-peer network (¶58, 65-72).

Claims 15-28 and 29-42 are respectively directed to a computer readable medium and system of the above recited method claims. Accordingly, claims 15-42 are similarly rejected as detailed above.

Although the Examiner has pointed out particular references contained in the prior art(s) of record in the body of this action, the specified citations are merely representative of the teachings in the art as applied to the specific limitations within the individual claim. Since other passages and figures may apply to the claimed invention as well, it is respectfully

Art Unit: 3621

requested that the applicant, in preparing the response, to consider fully the entire references as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior arts or disclosed by the examiner.

(10) Response to Argument

Claims 1-3, 7-17, 21-31 and 35-42

Appellant argues that the claimed invention is directed to reselling of files and the neither reference provides for such a service (brief p. 8-10). Wolfe is directed to electronic commerce transactions and more specially to a system, method and storage medium for generating a commission link. Wolfe does not limit the invention to merely reselling of files, but rather to any items for sale in an electronic environment. Furthermore, Geravis was merely introduced to demonstrate automatic disbursement to all interested parties.

Appellant makes a distinction between a reseller and affiliate in attempting to overcome the cited references (brief p. 11-12). Although the Appellant may be referring to a link as a reseller URL, Wolfe teaches the same mechanism in tracking and collecting commission and sales revenue as recited in the claimed invention. Furthermore, Appellant's distinction between a frame controlled by a merchant or not is irrelevant as to the in both the invention and Wolfe a link is generated to accomplish the stated provisions. " Note that the affiliate network's linking reference tag (the one after "href=" in the affiliate network's home page link) is a Web site operated by the affiliate network (e.g., affiliate-network.com), rather than the merchant.

Thus, when the consumer is linked to the affiliate network's Web site, a tracking process may be triggered. Next, the affiliate network's Web server redirects the consumer to the merchant's Web site. The merchant's Web site continues the tracking process and reports any

Art Unit: 3621

resulting sales and commissions back to the affiliate network. Once the consumer has been redirected from the affiliate network's Web site to the merchant's Web site, the URL displayed in the consumer's browser corresponds to the merchant's Web site, and not the affiliate network's Web site. In most cases, the consumer is unaware that he or she is first directed to the affiliate network's Web site before going to the merchant's Web site. For example, in the consumer's perspective, he or she visits a Web site, clicks on a link labeled "merchant.com" and is taken directly to the merchant.com site, complete with the merchant.com URL in the browser's address bar [0027]."

Wolfe further teaches that the most basic complication is that many merchants do not offer their affiliates the opportunity to link to individual products [0044]. Therefore, for the purposes of the distinction between an affiliate and reseller as proscribed by Appellant, Wolfe's affiliate can server as both.

Claims 4-6, 18-20 and 32-34

As per claims 4, 18 and 32, Appellant argues that the identity codes in the cited reference is not the same as a file ID, or a content owner ID, metafile information, a fingerprint or business rules (brief p. 13). The limitations referred to by appellant provide identity information for carrying out the intended transaction, i.e., identifying and paying the reseller. The identity codes (identity code, merchant identifier, product identifier, etc.) in the reference perform the same functions exemplified in paragraph [0052, 0074].

As per claims 6, 20 and 43, Appellant contends that the cited reference Wolfe, fails to disclose a fingerprint (brief at 13). The cited reference discloses various authentication

Art Unit: 3621

techniques, including login and password authentication that encompass character sequences combined with digital key encryption or digital signature validation [0053].

As per claims 5, 19 and 33, Appellant concedes that the cited reference discloses the process of linking to the affiliate network, but argues, "there is nothing in the passage that indicates the file is redistributable (brief at 14)." In fact, as indicated in the rejection in paragraph 0027, the fact that the consumer is "redirected to the affiliate network's site." Appellant merely states that "redirection is not the same as redistribution," however fails to distinguish any functional difference thereof.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

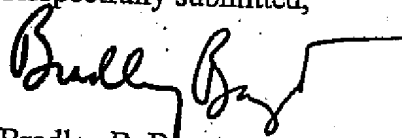
Application/Control Number: 10/082,884

Art Unit: 3621

Page 10

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,



Bradley B. Bayat
Art Unit 3621
Primary Examiner

Conferees:

Andrew Fischer, SPE 3621 *JAM for Dan Fischer*

JAMES A. REAGAN
PRIMARY EXAMINER

Vincent Millin, TC Appeals Specialist

Kambiz Abdi for



Electronic Acknowledgement Receipt

EFS ID:	1202845
Application Number:	10082884
Confirmation Number:	5658
Title of Invention:	<p>DOCKETED <i>MRH 9/15/06</i></p> <p>Method and system for automatically distributing fees, including a reseller commission, during a digital file transaction</p>
First Named Inventor:	Vijay Valdyanathan
Customer Number:	27820
Filer:	Benjamin Withrow/Michelle Heymann
Filer Authorized By:	Benjamin Withrow
Attorney Docket Number:	2060CIP2CIP
Receipt Date:	15-SEP-2006
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Time Stamp:	11:31:34
Application Type:	Utility
International Application Number:	

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Submitted with Payment	no
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File Listing:

Document Number	Document Description	File Name	File Size(Bytes)	Multi Part	Pages
1	Appeal Brief Filed	Revised_Appeal_Brief.pdf	1015098	no	23

Warnings:

Information:

Total Files Size (in bytes):

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New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Vijay Vaidyanathan et al.

Serial No. 10/082,884

Filed: 02/26/2002

Examiner: Bradley B. Bayat

Art Unit: 3621

For: **METHOD AND SYSTEM FOR AUTOMATICALLY DISTRIBUTING FEES,
INCLUDING A RESELLER COMMISSION, DURING A DIGITAL FILE
TRANSACTION**

Mail Stop Appeal Brief – Patents

Commissioner for Patents

PO Box 1450

Alexandria, VA 22313-1450

Sir:

The present **REVISED APPEAL BRIEF** is filed pursuant to 37 C.F.R. § 41.37(c)(1)(v) to address the Notification of Non-Compliant Appeal Brief mailed August 17, 2006 by amending section (5) SUMMARY OF CLAIMED SUBJECT MATTER . Appellant has previously paid for the Appeal Brief, so no new fee should be required. If any additional fees are required in association with this appeal brief, the Director is hereby authorized to charge them to Deposit Account 50-1732, and consider this a petition therefor.

REVISED APPEAL BRIEF

(1) REAL PARTY IN INTEREST

The present application is owned by Qurio Holdings, Inc. with a principal place of business at 1130 Situs Court, Suite 216, Raleigh, North Carolina 27606.

(2) RELATED APPEALS AND INTERFERENCES

There are no related appeals or interferences to the best of Appellant's knowledge.

(3) STATUS OF CLAIMS

Claims 1-42 were rejected with the rejection made final on February 28, 2006.

Claims 1-42 are pending and the subject of this appeal.

(4) STATUS OF AMENDMENTS

All amendments have been entered to the best of Appellant's knowledge.

(5) SUMMARY OF CLAIMED SUBJECT MATTER

The present invention is a method and system for enabling electronic delivery of files. The digital marketplace of the present invention enables transactions between content owners, consumers, and resellers, where payment for the files is automatically collected and distributed to all the relevant parties.

Independent claim 1 recites a method for enabling electronic delivery of files in a digital marketplace (Figure 1, digital files 12), the method comprising the steps of:

(a) maintaining a data repository (such as Figure 3, file authority 76) for storing information relating to the files available in the digital marketplace (Figure 1, Element 10), including business rules (Figure 3, Element 88) associated with each file that define electronic transfer of the files during commercial transactions (Specification, p. 4, lines 2-6, p. 11, lines 16-21);

(b) in response to a first user requesting to resell a particular file and thereby becoming a reseller (Figure 1, reseller 15; Figure 4B, steps 128, 138; Specification, p. 5, lines 17-18, p. 14, lines 14-16, p. 16, lines 8-22), using the data repository to dynamically generate a reseller

uniform resource locator (RURL) that uniquely identifies the reseller and the file (Specification, p. 4, lines 6-9, p. 17, lines 1-8; Figure 4B, step 140);

(c) providing the RURL to the reseller for posting on a website in order to make the file commercially available to others on the website (Specification, p. 4, lines 9-11, p. 17, lines 10-14; Figure 4B, step 142); and

(d) in response to a second user clicking on a link to download the file (Specification, p. 4, lines 11-15), retrieving from the data repository the business rules associated with the file identified in the RURL to customize the download of the file to the second user (Specification, p. 17, lines 16-20; Figure 4B, steps 144 and 146) and to automatically distribute payments to the reseller and owner of the file (Specification, p. 4, lines 11-15, p. 17, line 22 through p. 18, line 16, p. 15, lines 15-20; Figure 4A, steps 120 and 122).

Claim 15 is similar to claim 1, albeit in a computer-readable medium format, the computer-readable medium containing program instructions for enabling electronic delivery of files, where the instructions are for carrying out the method of claim 1. In particular, the computer-readable medium of Claim 15 contains instructions for:

(a) maintaining a data repository (such as Figure 3, file authority 76) for storing information relating to the files available in a digital marketplace (Figure 1, Element 10), including business rules (Figure 3, Element 88) associated with each file that define electronic transfer of the files during commercial transactions (Specification, p. 4, lines 2-6, p. 11, lines 16-21);

(b) in response to a first user requesting to resell a particular file and thereby becoming a reseller (Figure 1, reseller 15; Figure 4B, steps 128, 138; Specification, p. 5, lines 17-18, p. 14, lines 14-16, p. 16, lines 8-22), using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file (Specification, p. 4, lines 6-9, p. 17, lines 1-8; Figure 4B, step 140);

(c) providing the RURL to the reseller for posting on a website in order to make the file commercially available to others on the website (Specification, p. 4, lines 9-11, p. 17, lines 10-14; Figure 4B, step 142); and

(d) in response to a second user clicking on a link to download the file (Specification, p. 4, lines 11-15), retrieving from the data repository the business rules associated with the file identified in the RURL to customize the download of the file to the second user (Specification, p.

17, lines 16-20; Figure 4B, steps 144 and 146) and to automatically distribute payment to the reseller and owner of the file (Specification, p. 4, lines 11-15, p. 17, line 22 through p. 18, line 16, p. 15, lines 15-20; Figure 4A, steps 120 and 122).

Claim 29 recites a system for enabling electronic delivery of files over a network comprising a plurality of client computers, comprising:

a digital marketplace (Figure 1, Element 10) including a server (such as Figure 3, server 69) coupled to the network;

a data repository (Figure 3, file authority 76) accessible by the server for storing information relating to the files available in the digital marketplace (Figure 3, digital files 12), wherein the information includes business rules (Figure 3, Element 88) associated with each file that define electronic transfer of the files during commercial transactions (Specification, p. 4, lines 2-6, p. 11, lines 16-21);

wherein in response to a first user (Figure 3, user 74) contacting the server and requesting to resell a particular file and thereby becoming a reseller (Figure 1, reseller 15; Specification, p. 5, lines 17-18, p. 14, lines 14-16, p. 16, lines 8-22), the server:

uses the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file (Specification, p. 4, lines 6-9, p. 17, lines 1-8; Figure 4B, step 140), and

provides the RURL to the reseller for posting on a website in order to make the file commercially available to others on the website (Specification, p. 4, lines 9-11, p. 17, lines 10-14; Figure 4B, step 142); and

in response to a second user clicking on a link to download the file (Specification, p. 4, lines 11-15), the server retrieves from the data repository the business rules associated with the file identified in the RURL to customize the download of the file to the second user (Specification, p. 17, lines 16-20; Figure 4B, steps 144 and 146) and automatically distributes payments to the reseller and owner of the file (Specification, p. 4, lines 11-15, p. 15, lines 15-20, p. 17, line 22 through p. 18, line 16; Figure 4A, steps 120 and 122).

Appellant contends that certain dependent claims are separately patentable.

Claims 4, 18, and 32 recite the limitation of providing each record with a file ID (Figure 3, uniform resource indicator (URI) 78), a file name, a content owner ID, metafile information, a fingerprint, and the business rules (Figure 3, record 77; file name 80; content owner ID 82; file

metadata 84; fingerprint 86 is comprised of bitstream ID 90 and digital signature 92; business rules 88; see also Specification, p. 12, line 10 through p. 13, line 12).

Claims 5, 19, and 33 depend from claims 4, 18, and 32, respectively, and add the further limitation of providing the business rules with a redistributable indicator that indicates whether the file is redistributable (Figure 3, redistributable indicator 94; Specification, p. 13, line 19 through p. 14, line 9).

Claims 6, 20, and 34 depend from claims 4, 18, and 32, respectively, and add the further limitation of using the fingerprint to uniquely identify each file by content of the file (Specification, p. 12, line 21 through p. 13, line 1).

(6) GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

A. Whether claims 1-42 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. 2003/0023687 A1 to Wolfe (hereinafter “Wolfe”) in view of Gervais, “Electronic Rights Management and Digital Identifier Systems,” March 1999, The Journal of Electronic Publishing, vol. 4, issue 3, pp. 1-25 (hereinafter “Gervais”).

(7) ARGUMENT

A. Introduction

The Patent Office has not shown where all the elements of the claims are shown with sufficient particularity to sustain an obviousness rejection. Specific elements of claim 1 are not taught or suggested by Wolfe, Gervais, or the combination thereof. The claimed invention is directed to the reselling of files, not generating income through referred sales of items, as taught by Wolfe. In particular, Wolfe does not teach the following elements of claim 1: “maintaining a data repository for storing information relating to the files available in the digital marketplace” and “in response to a first user requesting to resell a particular file and thereby becoming a reseller, using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file. . . .” In fact, the Patent Office has proven Appellant’s point that Wolfe is specifically directed to generating a commission link, and not to reselling particular files available in the digital marketplace. In addition, Gervais does not teach or suggest business rules to automatically distribute payments to the reseller and owner of

the file. Since the Examiner has not shown where each and every element is taught or suggested in the combined references, obviousness has not been established. As such, Appellant requests that the Board reverse the Examiner and instruct the Examiner to allow the claims.

B. Summary of the References

1. U.S. Patent Application Publication No. 2003/0023687 A1 to Wolfe

Wolfe is directed to an electronic commerce system for generating a commission link. The system includes an affiliate host system for presenting a user with a link to a first location having a corresponded coded link to a second location, receiving an input based on the selected link, connecting the user to the second location, connecting the user to the first location after a selected period at the second location, and receiving a commission based on connecting the user to the second location (Wolfe, paragraph 0006). Wolfe teaches an affiliate program wherein an affiliate earns commissions for referring customers to a merchant site. The customer purchases directly from the merchant web site and the affiliate gets the commission (Wolfe, paragraph 0016). Wolfe teaches items for sale in an electronic environment, but does not disclose reselling files. Wolfe discusses the relationship between the affiliate and the website, indicating that the affiliate retains control over the customer's browser (Wolfe, paragraph 0027).

2. Gervais, "Electronic Rights Management and Digital Identifier Systems"

Gervais is an article from the Journal of Electronic Publishing that discusses electronic rights management and digital identifier systems. The article addresses how to build a electronic infrastructure that works with copyrights and takes advantage of the digital environment. In particular, the article addresses how to build an electronic copyright-management system. The Patent Office has stated that Gervais was merely introduced to allegedly demonstrate automatic disbursement to all interested parties. In particular, Gervais discloses that a digital content owner could receive with the payment for use of his works a report on the number of uses of the works from an aggregator of data or a collective management organization using an electronic copyright-management system (Gervais, p. 19). Gervais also discusses that an electronic copyright-management system should allow users to access material in such a way that they know what is for sale, but full access would require payment. *Id.*

C. The Standards for Establishing Obviousness

Section 103(a) of the Patent Act provides the statutory basis for an obviousness rejection and reads as follows:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Courts have interpreted 35 U.S.C. § 103(a) as being a question of law based on underlying facts. As the Federal Circuit stated:

Obviousness is ultimately a determination of law based on underlying determinations of fact. These underlying factual determinations include: (1) the scope and content of the prior art; (2) the level of ordinary skill in the art; (3) the differences between the claimed invention and the prior art; and (4) the extent of any proffered objective indicia of nonobviousness.

Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH, 139 F.3d 877, 881 (Fed. Cir. 1998) (internal citations omitted).

The burden is on the Patent Office to establish a *prima facie* case of obviousness. *In re Fine*, 837 F.3d 1071, 1074 (Fed. Cir. 1988). “To reach a proper conclusion under § 103, the decisionmaker must step backward in time and into the shoes worn by [a person having ordinary skill in the art] when the invention was unknown and just before it was made.” *Id.* at 1073 (quoting *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561, 1566 (Fed. Cir. 1987) (paraphrase in *Fine*’s original text)). “One cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention.” *In re Fine* at 1075.

The “case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references.” *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999). “Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor’s disclosure as a blueprint for piecing together the prior art to defeat patentability - the essence of hindsight.” *Ibid.*

The Federal Circuit notes

that evidence of a suggestion, teaching, or motivation to combine may flow from the prior art references themselves, the knowledge of one of ordinary skill in the

art, or, in some cases, from the nature of the problem to be solved . . . The range of sources available, however, does not diminish the requirement for actual evidence. That is, the showing must be clear and particular. Broad conclusory statements regarding the teaching of multiple references, standing alone, are not "evidence."

Ibid (internal citations omitted). It is worth noting that the *Dembiczak* court specifically acknowledged *Fine*, but emphasized the requirement for actual evidence in proving the motivation to combine the references.

It is further worth noting that where the teachings of two or more prior art references conflict, the examiner must weigh the power of each reference to suggest solutions to one of ordinary skill in the art, considering the degree to which one reference might accurately discredit another. *In re Young*, 927 F.2d 588 (Fed. Cir. 1991); MPEP § 2143.01.

For a *prima facie* case of obviousness, the combination must teach or fairly suggest all the claim elements. *In re Royka*, 490 F.2d 981 (CCPA 1974); MPEP § 2143.03. When determining whether the references or combination of references teaches an element, the Patent Office is entitled to interpret the claim elements broadly. However, this interpretation is limited in several respects. First, the interpretation is made in light of the specification. Further, the interpretation must be reasonable to someone skilled in the art. MPEP § 2111.

If the Patent Office fails to establish obviousness, then the applicant is entitled to a patent. *In re Glaug*, 283 F.3d 1335, 1338 (Fed. Cir. 2002).

D. Claims 1-42 Are Non-Obvious Because The Combination of Wolfe and Gervais Does Not Disclose Each and Every Element of the Claimed Invention

1. The Combination of Wolfe and Gervais Does Not Teach or Suggest Each Element of the Independent Claims

Claims 1-42 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Wolfe in view of Gervais. For the Patent Office to establish *prima facie* obviousness, the Patent Office must show where each and every claim element can be found in the combination of references. MPEP § 2143.03. When determining whether the references or combination of references teaches an element, the Patent Office is entitled to interpret the claim elements broadly. However, this interpretation is limited in several respects. First, the interpretation is made in light of the specification. Further, the interpretation must be reasonable to someone skilled in the art. MPEP § 2111.

The claimed invention is directed to the reselling of files, not generating income through referred sales of items, as taught by Wolfe. In particular, Wolfe does not teach the following elements of claim 1: “maintaining a data repository for storing information relating to the files available in the digital marketplace” and “in response to a first user requesting to resell a particular file and thereby becoming a reseller, using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file. . . .”

Claim 1 specifically recites “maintaining a data repository for storing information relating to the files available in the digital marketplace.” Appellant has studied Wolfe and finds no teaching wherein the files are available for sale, as indicated in claim 1. In the Final Office Action, the Patent Office responds that “Wolfe is directed to electronic commerce transactions and more specifically to a system, method, and storage medium for generating a commission link. Wolfe does not limit the invention to merely reselling files, but rather to any items for sale in an electronic environment” (Final Office Action mailed February 28, 2006, p. 2)¹. The Examiner has proven Appellant’s point that Wolfe is specifically directed to generating a commission link, and not to reselling particular files available in the digital marketplace. Wolfe teaches items for sale in an electronic environment, but does not disclose reselling files. Although Wolfe may teach items for sale, it does not describe the reselling of files, as claimed in claim 1. Therefore, Wolfe does not teach or suggest each and every element of claim 1. Gervais does not cure the deficiencies of Wolfe (see footnote 1). Thus, claim 1 is patentable over Wolfe and Gervais.

Claim 1 further recites “in response to a first user requesting to resell a particular file and thereby becoming a reseller, using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file. . . .” Thus, the claim requires that a first user requests to resell a particular file and thereby becomes a reseller, and that the data repository is used to dynamically generate a RURL that uniquely identifies the reseller and the file. In contrast, Wolfe teaches an affiliate program wherein an affiliate earns commissions for referring customers to a merchant site. The customer purchases directly from the merchant web site and the affiliate gets the commission (Wolfe, Abstract; paragraph 0016). At no time is the affiliate ever a reseller as that term is used in the Specification. Certainly no

¹ The Examiner admits that Gervais was introduced merely for the assertion that it demonstrated automatic disbursement to all interested parties. Therefore, Gervais does not teach a reseller or the reselling of files.

one of ordinary skill in the art would consider an affiliate who does not sell any product to be a reseller. The Patent Office cites to Wolfe, col. 15, lines 20-25, at page 8, paragraph 0080 as allegedly teaching the limitation of “in response to a first user requesting to resell a particular file and thereby becoming a reseller, using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file. . .” (Office Action mailed September 19, 2005, p. 5). The cited passage discusses the relationship between the affiliate and the website, indicating that the affiliate retains control over the customer’s browser. The passage confirms that the user performs an action on the merchant site 40, effectively proving that the affiliate is not the entity from whom the customer makes the purchase (and thus precluding the affiliate from being the reseller of the claim).

The Patent Office responds in the Final Office Action by initially stating that “[a]lthough the applicant may be referring to a link as a reseller URL, Wolfe teaches the same mechanism in tracking and collecting commission and sales revenue as recited in the claimed invention. Furthermore, applicant’s distinction between a frame controlled by a merchant or not is irrelevant as to the in (sic) both the invention and Wolfe a link is generated to accomplish the stated provisions” (Final Office Action mailed February 28, 2006, p. 2). Secondly, the Examiner cites paragraph 0027 of Wolfe (Final Office Action mailed February 28, 2006, p. 3). Finally, the Examiner cites Wolfe, paragraph 0044 as teaching that the most basic complication is that many merchants do not offer their affiliates the opportunity to link to individual products, and therefore, Wolfe’s affiliate can be both affiliate and reseller (Final Office Action mailed February 28, 2006, p. 3).

The Patent Office seems to be missing Appellant’s point. None of the cited passages of Wolfe teach the recited element “in response to a first user requesting to resell a particular file and thereby becoming a reseller.” Wolfe simply does not disclose a first user requesting to resell a particular file and thereby becoming a reseller. Nor does Wolfe teach that in response to the user requesting to resell a particular file, the data repository is used to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file. Even if Wolfe teaches the same mechanism for tracking and collecting commission and sales revenue, a point Appellant does not concede, it does not teach the specific limitations of the claim. The Patent Office seems to be ignoring the specific language of the claim, which requires “in response to a first user requesting to resell a particular file and thereby becoming a reseller, using

the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file.”

Paragraph 0027 of Wolfe discusses how, when the consumer is linked to the affiliate’s web site, a tracking process may be triggered, and when the affiliate web server redirects the consumer to the merchant web site, the merchant web site continues the tracking process and reports sales and commissions back to the affiliate network. After redirection, the URL displayed in the consumer’s browser corresponds to the merchant web site so that in most cases, the consumer is unaware that he or she was first directed to the affiliate web site. While the consumer may not be aware that he or she has been redirected to the merchant web site, and the merchant web site may track sales and commissions, this paragraph still does not teach a “first user requesting to resell a particular file and thereby becoming a reseller.” In addition, the URL displayed is that of the merchant, and is therefore not a RURL that uniquely identifies the reseller and the file, as required by claim 1.

Finally, the Patent Office’s cite to paragraph 0044 of Wolfe as allegedly supporting the theory that Wolfe’s affiliate can be both affiliate and reseller does not support the alleged theory. The fact that Wolfe may disclose that many merchants do not offer their affiliates the opportunity to link to individual products does not mean the affiliate is a reseller. Moreover, there is nothing in paragraph 0044 or the rest of Wolfe that teaches a “first user requesting to resell a particular file and thereby becoming a reseller.” The affiliate of Wolfe does not request to resell a particular file and thereby becomes a reseller. Moreover, as discussed above, since the URL displayed is that of the merchant and not the affiliate, Wolfe does not teach using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file, as required by claim 1. Therefore, Wolfe does not teach this claim element.

The combination of Wolfe and Gervais fails to teach an additional element of the independent claims. The independent claims 1, 15, and 29 all recite in step (d) “retrieving from the data repository the business rules associated with the file identified in the RURL to customize the download of the file to the second user and to automatically distribute payments to the reseller and owner of the file.” The Patent Office admits that Wolfe does not teach automatically distributing payment to the owner of the file, but cites to Gervais as allegedly teaching this limitation (Final Office Action mailed February 28, 2006, p. 5). In particular, the

Patent Office states that Gervais at pp. 18-20 teaches an electronic rights management and digital identifier system where payment can be distributed automatically to content owners through links either directly or through an aggregator of data or third party. *Id.*

Appellant respectfully submits that Gervais does not teach or suggest any method to “automatically distribute payments to the reseller and owner of the file.” The cited passages of Gervais at best disclose that a digital content owner could receive with the payment for use of his works a report on the number of uses of the works from an aggregator of data or a collective management organization using an electronic copyright-management system (Gervais, p. 19). Gervais also discusses that an electronic copyright-management system should allow users to access material in such a way they know what is for sale, but full access would require payment. *Id.* Gervais therefore merely teaches that a user should have to pay for copyrighted digital content and that the owner should receive payment, optionally together with some information about the uses of the content. However, such payment is not automatically distributed, nor is it accomplished by retrieving from a data repository business rules associated with the file identified in the RURL. Thus, Gervais does not teach or suggest “retrieving from the data repository the business rules associated with the file identified in the RURL to customize the download of the file to the second user and to automatically distribute payments to the reseller and owner of the file.” Since Gervais does not teach or suggest the limitation, the combination does not teach or suggest the claim limitation. Therefore, the independent claims are patentable for this additional reason.

As set forth above, Wolfe does not teach or suggest each and every element of claim 1. Nothing in Gervais cures the deficiencies of Wolfe. Since the references individually do not teach or suggest the claim elements, the combination of references cannot teach or suggest the claim elements. Since the combination does not teach or suggest the claim elements, the combination does not establish obviousness, and the claim is allowable for this reason.

Claims 2-14 depend from claim 1 and are not obvious for at least the same reasons.

Claim 15 is substantially similar to claim 1, albeit in a computer software format. Thus, claim 15 is not obvious for at least the same reasons.

Claims 16-28 depend from claim 15 and are not obvious for at least the same reasons.

Claim 29 recites, in relevant part, essentially the same elements as claim 1. That is, claim 29 recites “a data repository accessible by the server for storing information relating to the files

available in the digital marketplace. . .”; “a first user contacting the server and requesting to resell a particular file and thereby becoming a reseller. . .”; and “uses the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file. . .” These correspond to the elements addressed above. As explained above, Wolfe and Gervais do not teach or suggest these elements, and therefore claim 29 is not obvious. Claims 30-42 depend from claim 29 and are not obvious for at least the same reasons.

2. The Combination of Wolfe and Gervais Does Not Teach or Suggest Each Element of the Dependent Claims 4-6, 18-20, and 32-34

Some dependent claims deserve special mention. Claims 4, 18, and 32 recite the limitation of providing each record with a file ID, a file name, a content owner ID, metafile information, a fingerprint, and the business rules. The Patent Office states that paragraphs 0043, 0074-0077, 0085, and 0086 of Wolfe discloses these elements (Final Office Action mailed February 28, 2006, p. 6). Appellant has reviewed these passages and does not find a teaching of providing each record with all of the claimed information. The closest Appellant finds is the teaching of an affiliate identity code. This teaching of Wolfe is not equivalent to providing each record with a file ID, a file name, a content owner ID, metafile information, a fingerprint, and the business rules. Nothing in Gervais cures the deficiencies of Wolfe. Since the references individually do not teach or suggest the claim element, the combination of references cannot teach or suggest the claim element, and the claims are non-obvious. Since the claims are non-obvious, claims 4, 18, and 32 are independently patentable over the rejection of record.

Claims 6, 20, and 34 depend from claims 4, 18, and 32, respectively, and add the further limitation that the fingerprint is used to uniquely identify each file by content of the file. The Patent Office states that paragraphs 0052-0062 of Wolfe disclose this element (Final Office Action mailed February 28, 2006, p. 6). The fingerprint of the present invention is comprised of bitstream ID 90 and digital signature 92 (Specification, p. 12, line 21 through p. 13, line 12). The affiliate identity code, merchant identifier and product identifier of Wolfe discussed in paragraphs 0052-0062 are not a fingerprint that is used to uniquely identify each file by content of the file. Nothing in Gervais cures the deficiencies of Wolfe. Since the references individually do not teach or suggest the claim element, the combination of references cannot

teach or suggest the claim element, and the claims are non-obvious. Since the claims are non-obvious, claims 6, 20, and 34 are independently patentable over the rejection of record.

Claims 5, 19, and 33 recite that the rules have a redistributable indicator that indicates whether the file is redistributable. The Patent Office asserts that this is shown by Wolfe, paragraph 0027 (Final Office Action mailed February 28, 2006, p. 6). Paragraph 0027 does describe the process of linking to the affiliate network, but there is nothing in the passage that indicates the file is redistributable. Redirection is not the same as redistribution. Appellant therefore submits that the Patent Office has failed to show that Wolfe discloses the redistributable indicator of claims 5, 19, and 33. Nothing in Gervais cures the deficiencies of Wolfe. Since the references individually do not teach or suggest the claim elements, the combination of references cannot teach or suggest the claim elements, and the claims are non-obvious. Since the claims are non-obvious, claims 5, 19, and 33 are independently patentable over the rejection of record.

E. Conclusion

The Patent Office has not shown where all the elements of the claims are shown with sufficient particularity to sustain an obviousness rejection. Specific elements of claim 1 are not taught or suggested by Wolfe, Gervais, or the combination thereof. The claimed invention is directed to the reselling of files, not generating income through referred sales of items, as taught by Wolfe. In addition, Gervais does not teach or suggest business rules to automatically distribute payments to the reseller and owner of the file. Since the Examiner has not shown where each and every element is taught or suggested in the combined references, obviousness has not been established. As such, Appellant requests that the Board reverse the Examiner and instruct the Examiner to allow the claims.

Respectfully submitted,

WITHROW & TERRANOVA, P.L.L.C.

By: 

Benjamin S. Withrow
Registration No. 40,876
P.O. Box 1287
Cary, NC 27512
Telephone: (919) 654-4520

Date: September 15, 2006
Attorney Docket: 1104-034

(8) APPENDIX

1. A method for enabling electronic delivery of files in a digital marketplace, the method comprising the steps of:

(a) maintaining a data repository for storing information relating to the files available in the digital marketplace, including business rules associated with each file that define electronic transfer of the files during commercial transactions;

(b) in response to a first user requesting to resell a particular file and thereby becoming a reseller, using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file;

(c) providing the RURL to the reseller for posting on a website in order to make the file commercially available to others on the website; and

(d) in response to a second user clicking on a link to download the file, retrieving from the data repository the business rules associated with the file identified in the RURL to customize the download of the file to the second user and to automatically distribute payments to the reseller and owner of the file.

2. The method of claim 1 wherein step (a) further includes the step of: providing within the business rules a pricing model associated with the file.

3. The method of claim 2 wherein step (a) further includes the step of: storing a record for each file that includes fields for identifying a location of the file and the owner of the file.

4. The method of claim 3 wherein step (a) further includes the step of: providing each record with a file ID, a file name, a content owner ID, metafile information, a fingerprint, and the business rules.

5. The method of claim 4 wherein step (a) further includes the step of: providing the business rules with a redistributable indicator that indicates whether the file is redistributable.

6. The method of claim 4 wherein step (a) further includes the step of: using the fingerprint to uniquely identify each file by content of the file.

7. The method of claim 6 wherein step (a) further includes the step of: generating a bitstream ID by calculating binary values in data blocks of the file.

8. The method of claim 2 wherein step (d) further includes the step of:

(i) charging the second user a retail price for downloading the file.

9. The method of claim 8 wherein step (a) further includes the step of:

(i) allowing a content owner to set the retail price and a reseller commission both positively and negatively.

10. The method of claim 2 wherein step (b) further includes the step of:

(i) providing the RURL with a web address of the marketplace, the file ID, and the user ID of the reseller.

11. The method of claim 10 wherein step (b) further includes the step of:

(i) providing the RURL by displaying the RURL and allowing the reseller to copy and paste the RURL on the website.

12. The method of claim 10 wherein step (b) further includes the step of:

(i) providing the RURL via email.

13. The method of claim 1 further including the step of: implementing the digital marketplace as a website on a network.

14. The method of claim 1 further including the step of: implementing the digital marketplace as a peer-to-peer network.

15. A computer-readable medium containing program instructions for enabling electronic delivery of files, the instructions for:

(a) maintaining a data repository for storing information relating to the files available in a digital marketplace, including business rules associated with each file that define electronic transfer of the files during commercial transactions;

(b) in response to a first user requesting to resell a particular file and thereby becoming a reseller, using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file;

(c) providing the RURL to the reseller for posting on a website in order to make the file commercially available to others on the website; and

(d) in response to a second user clicking on a link to download the file, retrieving from the data repository the business rules associated with the file identified in the RURL to customize the download of the file to the second user and to automatically distribute payment to the reseller and owner of the file.

16. The computer-readable medium of claim 15 wherein instruction (a) further includes the instruction of: providing within the business rules a pricing model associated with the file.

17. The computer-readable medium of claim 16 wherein instruction (a) further includes the instruction of: storing a record for each file that includes fields for identifying a location of the file and the owner of the file.

18. The computer-readable medium of claim 17 wherein instruction (a) further includes the instruction of: providing each record with a file ID, a file name, a content owner ID, metafile information, a fingerprint, and the businesses rules.

19. The computer-readable medium of claim 18 wherein instruction (a) further includes the instruction of: providing the business rules with a redistributable indicator that indicates whether the file is redistributable.

20. The computer-readable medium of claim 18 wherein instruction (a) further includes the instruction of: using the fingerprint to uniquely identify each file by content of the file.

21. The computer-readable medium of claim 20 wherein instruction (a) further includes the instruction of: generating a bitstream ID by calculating binary values in data blocks of the file.

22. The computer-readable medium of claim 16 wherein instruction (d) further includes the instruction of:

(i) charging the second user a retail price for downloading the file.

23. The computer-readable medium of claim 22 wherein instruction (a) further includes the instruction of:

(i) allowing a content owner to set the retail price and a reseller commission both positively and negatively.

24. The computer-readable medium of claim 16 wherein instruction (b) further includes the instruction of:

(i) providing the RURL with a web address of the marketplace, a file ID, and a user ID of the reseller.

25. The computer-readable medium of claim 24 wherein instruction (b) further includes the instruction of:

(i) providing the RURL by displaying the RURL and allowing the reseller to copy and paste the RURL on the website.

26. The computer-readable medium of claim 24 wherein instruction (b) further includes the instruction of:

(i) providing the RURL via email.

27. The computer-readable medium of claim 15 further including the instruction of: implementing the digital marketplace as a website on a network.

28. The computer-readable medium of claim 15 further including the instruction of: implementing the digital marketplace as a peer-to-peer network.

29. A system for enabling electronic delivery of files over a network comprising a plurality of client computers, comprising:

a digital marketplace including a server coupled to the network;

a data repository accessible by the server for storing information relating to the files available in the digital marketplace, wherein the information includes business rules associated with each file that define electronic transfer of the files during commercial transactions;

wherein in response to a first user contacting the server and requesting to resell a particular file and thereby becoming a reseller, the server:

uses the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file, and

provides the RURL to the reseller for posting on a website in order to make the file commercially available to others on the website; and

in response to a second user clicking on a link to download the file, the server retrieves from the data repository the business rules associated with the file identified in the RURL to customize the download of the file to the second user and automatically distributes payments to the reseller and owner of the file.

30. The system of claim 29 wherein the business rules include a pricing model associated with the file.

31. The system of claim 30 wherein the data repository includes a record for each file that includes fields for identifying a location of the file and the owner of the file.

32. The system of claim 31 wherein each record includes a file ID, a file name, a content owner ID, metafile information, a fingerprint, and the businesses rules.

33. The system of claim 32 wherein the business rules further include a redistributable indicator that indicates whether the file is redistributable.

34. The system of claim 32 wherein the fingerprint uniquely identifies each file by the content of

the file.

35. The system of claim 34 wherein the fingerprint includes a bitstream ID, which is generated by calculating binary values in data blocks of the file.

36. The system of claim 30 wherein the second user is charged the retail price for downloading the file.

37. The system of claim 36 wherein the content owner can set a retail price and a reseller commission both positively and negatively.

38. The system of claim 30 wherein the RURL includes a web address of the marketplace, a file ID, and a user ID of the reseller.

39. The system of claim 38 wherein the RURL is provided by displaying the RURL and allowing the reseller to copy and paste the RURL on the website.

40. The system of claim 38 wherein the RURL is provided via email.

41. The system of claim 29 wherein the digital marketplace is implemented as a website on a network.

42. The system of claim 29 wherein the digital marketplace is implemented as a peer-to-peer network.

(9) EVIDENCE APPENDIX

Appellant relies on no evidence, thus this appendix is not applicable.

(10) RELATED PROCEEDINGS APPENDIX

As there are no related proceedings, this appendix is not applicable.

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Vijay Vaidyanathan et al.

Examiner: Bradley B. Bayat

Serial No. 10/082,884

Art Unit: 3621

Filed: 02/26/2002

For: **METHOD AND SYSTEM FOR AUTOMATICALLY DISTRIBUTING FEES,
INCLUDING A RESELLER COMMISSION, DURING A DIGITAL FILE
TRANSACTION**

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PO Box 1450

Alexandria, VA 22313-1450

Sir:

An **APPEAL BRIEF** is filed herewith. Appellant also encloses a credit card form authorizing payment in the amount of \$500.00 as required by 37 C.F.R. § 1.17(c). If any additional fees are required in association with this appeal brief, the Director is hereby authorized to charge them to Deposit Account 50-1732, and consider this a petition therefor.

APPEAL BRIEF

(1) REAL PARTY IN INTEREST

The present application is owned by Qurio Holdings, Inc. with a principal place of business at 1130 Situs Court, Suite 216, Raleigh, North Carolina 27606.

(2) RELATED APPEALS AND INTERFERENCES

There are no related appeals or interferences to the best of Appellant's knowledge.

(3) STATUS OF CLAIMS

Claims 1-42 were rejected with the rejection made final on February 28, 2006.

Claims 1-42 are pending and the subject of this appeal.

(4) STATUS OF AMENDMENTS

All amendments have been entered to the best of Appellant's knowledge.

(5) SUMMARY OF CLAIMED SUBJECT MATTER

The present invention is a method and system for enabling electronic delivery of files. The digital marketplace of the present invention enables transactions between content owners, consumers, and resellers, where payment for the files is automatically collected and distributed to all the relevant parties.

Independent claim 1 recites a method for enabling electronic delivery of files in a digital marketplace (Figure 1, digital files 12), the method comprising the steps of:

(a) maintaining a data repository (such as Figure 3, file authority 76) for storing information relating to the files available in the digital marketplace (Figure 1, Element 10), including business rules (Figure 3, Element 88) associated with each file that define electronic transfer of the files during commercial transactions (Specification, p. 4, lines 2-6, p. 11, lines 16-21);

(b) in response to a first user requesting to resell a particular file and thereby becoming a reseller (Figure 1, reseller 15; Figure 4B, steps 128, 138; Specification, p. 5, lines 17-18, p. 14, lines 14-16, p. 16, lines 8-22), using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file (Specification, p. 4, lines 6-9, p. 17, lines 1-8; Figure 4B, step 140);

(c) providing the RURL to the reseller for posting on a website in order to make the file commercially available to others on the website (Specification, p. 4, lines 9-11, p. 17, lines 10-14; Figure 4B, step 142); and

(d) in response to a second user clicking on a link to download the file (Specification, p. 4, lines 11-15), retrieving from the data repository the business rules associated with the file identified in the RURL to customize the download of the file to the second user (Specification, p. 17, lines 16-20; Figure 4B, steps 144 and 146) and to automatically distribute payments to the reseller and owner of the file (Specification, p. 4, lines 11-15, p. 17, line 22 through p. 18, line 16, p. 15, lines 15-20; Figure 4A, steps 120 and 122).

Claim 15 is similar to claim 1, albeit in a computer-readable medium format, the computer-readable medium containing program instructions for enabling electronic delivery of files, where the instructions are for carrying out the method of claim 1.

Claim 29 recites a system for enabling electronic delivery of files over a network comprising a plurality of client computers, comprising:

a digital marketplace (Figure 1, Element 10) including a server (such as Figure 3, server 69) coupled to the network;

a data repository (Figure 3, file authority 76) accessible by the server for storing information relating to the files available in the digital marketplace (Figure 3, digital files 12), wherein the information includes business rules (Figure 3, Element 88) associated with each file that define electronic transfer of the files during commercial transactions (Specification, p. 4, lines 2-6, p. 11, lines 16-21);

wherein in response to a first user (Figure 3, user 74) contacting the server and requesting to resell a particular file and thereby becoming a reseller (Figure 1, reseller 15; Specification, p. 5, lines 17-18, p. 14, lines 14-16, p. 16, lines 8-22), the server:

uses the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file (Specification, p. 4, lines 6-9, p. 17, lines 1-8; Figure 4B, step 140), and

provides the RURL to the reseller for posting on a website in order to make the file commercially available to others on the website (Specification, p. 4, lines 9-11, p. 17, lines 10-14; Figure 4B, step 142); and

in response to a second user clicking on a link to download the file (Specification, p. 4, lines 11-15), the server retrieves from the data repository the business rules associated with the file identified in the RURL to customize the download of the file to the second user (Specification, p. 17, lines 16-20; Figure 4B, steps 144 and 146) and automatically distributes payments to the reseller and owner of the file (Specification, p. 4, lines 11-15, p. 15, lines 15-20, p. 17, line 22 through p. 18, line 16; Figure 4A, steps 120 and 122).

Appellant contends that certain dependent claims are separately patentable.

Claims 4, 18, and 32 recite the limitation of providing each record with a file ID (Figure 3, uniform resource indicator (URI) 78), a file name, a content owner ID, metafile information, a fingerprint, and the business rules (Figure 3, record 77; file name 80; content owner ID 82; file metadata 84; fingerprint 86 is comprised of bitstream ID 90 and digital signature 92; business rules 88; see also Specification, p. 12, line 10 through p. 13, line 12).

Claims 5, 19, and 33 depend from claims 4, 18, and 32, respectively, and add the further limitation of providing the business rules with a redistributable indicator that indicates whether

the file is redistributable (Figure 3, redistributable indicator 94; Specification, p. 13, line 19 through p. 14, line 9).

Claims 6, 20, and 34 depend from claims 4, 18, and 32, respectively, and add the further limitation of using the fingerprint to uniquely identify each file by content of the file (Specification, p. 12, line 21 through p. 13, line 1).

(6) GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

A. Whether claims 1-42 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. 2003/0023687 A1 to Wolfe (hereinafter "Wolfe") in view of Gervais, "Electronic Rights Management and Digital Identifier Systems," March 1999, The Journal of Electronic Publishing, vol. 4, issue 3, pp. 1-25 (hereinafter "Gervais").

(7) ARGUMENT

A. Introduction

The Patent Office has not shown where all the elements of the claims are shown with sufficient particularity to sustain an obviousness rejection. Specific elements of claim 1 are not taught or suggested by Wolfe, Gervais, or the combination thereof. The claimed invention is directed to the reselling of files, not generating income through referred sales of items, as taught by Wolfe. In particular, Wolfe does not teach the following elements of claim 1: "maintaining a data repository for storing information relating to the files available in the digital marketplace" and "in response to a first user requesting to resell a particular file and thereby becoming a reseller, using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file. . . ." In fact, the Patent Office has proven Appellant's point that Wolfe is specifically directed to generating a commission link, and not to reselling particular files available in the digital marketplace. In addition, Gervais does not teach or suggest business rules to automatically distribute payments to the reseller and owner of the file. Since the Examiner has not shown where each and every element is taught or suggested in the combined references, obviousness has not been established. As such, Appellant requests that the Board reverse the Examiner and instruct the Examiner to allow the claims.

B. Summary of the References

1. U.S. Patent Application Publication No. 2003/0023687 A1 to Wolfe

Wolfe is directed to an electronic commerce system for generating a commission link. The system includes an affiliate host system for presenting a user with a link to a first location having a corresponded coded link to a second location, receiving an input based on the selected link, connecting the user to the second location, connecting the user to the first location after a selected period at the second location, and receiving a commission based on connecting the user to the second location (Wolfe, paragraph 0006). Wolfe teaches an affiliate program wherein an affiliate earns commissions for referring customers to a merchant site. The customer purchases directly from the merchant web site and the affiliate gets the commission (Wolfe, paragraph 0016). Wolfe teaches items for sale in an electronic environment, but does not disclose reselling files. Wolfe discusses the relationship between the affiliate and the website, indicating that the affiliate retains control over the customer's browser (Wolfe, paragraph 0027).

2. Gervais, "Electronic Rights Management and Digital Identifier Systems"

Gervais is an article from the Journal of Electronic Publishing that discusses electronic rights management and digital identifier systems. The article addresses how to build a electronic infrastructure that works with copyrights and takes advantage of the digital environment. In particular, the article addresses how to build an electronic copyright-management system. The Patent Office has stated that Gervais was merely introduced to allegedly demonstrate automatic disbursement to all interested parties. In particular, Gervais discloses that a digital content owner could receive with the payment for use of his works a report on the number of uses of the works from an aggregator of data or a collective management organization using an electronic copyright-management system (Gervais, p. 19). Gervais also discusses that an electronic copyright-management system should allow users to access material in such a way that they know what is for sale, but full access would require payment. *Id.*

C. The Standards for Establishing Obviousness

Section 103(a) of the Patent Act provides the statutory basis for an obviousness rejection and reads as follows:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Courts have interpreted 35 U.S.C. § 103(a) as being a question of law based on underlying facts. As the Federal Circuit stated:

Obviousness is ultimately a determination of law based on underlying determinations of fact. These underlying factual determinations include: (1) the scope and content of the prior art; (2) the level of ordinary skill in the art; (3) the differences between the claimed invention and the prior art; and (4) the extent of any proffered objective indicia of nonobviousness.

Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH, 139 F.3d 877, 881 (Fed. Cir. 1998) (internal citations omitted).

The burden is on the Patent Office to establish a *prima facie* case of obviousness. *In re Fine*, 837 F.3d 1071, 1074 (Fed. Cir. 1988). “To reach a proper conclusion under § 103, the decisionmaker must step backward in time and into the shoes worn by [a person having ordinary skill in the art] when the invention was unknown and just before it was made.” *Id.* at 1073 (quoting *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561, 1566 (Fed. Cir. 1987) (paraphrase in *Fine*’s original text)). “One cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention.” *In re Fine* at 1075.

The “case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references.” *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999). “Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor’s disclosure as a blueprint for piecing together the prior art to defeat patentability - the essence of hindsight.” *Ibid.*

The Federal Circuit notes

that evidence of a suggestion, teaching, or motivation to combine may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved . . . The range of sources available, however, does not diminish the requirement for actual evidence. That is, the showing must be clear and particular. Broad conclusory

statements regarding the teaching of multiple references, standing alone, are not "evidence."

Ibid (internal citations omitted). It is worth noting that the *Dembiczak* court specifically acknowledged *Fine*, but emphasized the requirement for actual evidence in proving the motivation to combine the references.

It is further worth noting that where the teachings of two or more prior art references conflict, the examiner must weigh the power of each reference to suggest solutions to one of ordinary skill in the art, considering the degree to which one reference might accurately discredit another. *In re Young*, 927 F.2d 588 (Fed. Cir. 1991); MPEP § 2143.01.

For a *prima facie* case of obviousness, the combination must teach or fairly suggest all the claim elements. *In re Royka*, 490 F.2d 981 (CCPA 1974); MPEP § 2143.03. When determining whether the references or combination of references teaches an element, the Patent Office is entitled to interpret the claim elements broadly. However, this interpretation is limited in several respects. First, the interpretation is made in light of the specification. Further, the interpretation must be reasonable to someone skilled in the art. MPEP § 2111. If the Patent Office fails to establish obviousness, then the applicant is entitled to a patent. *In re Glaug*, 283 F.3d 1335, 1338 (Fed. Cir. 2002).

D. Claims 1-42 Are Non-Obvious Because The Combination of Wolfe and Gervais Does Not Disclose Each and Every Element of the Claimed Invention

1. The Combination of Wolfe and Gervais Does Not Teach or Suggest Each Element of the Independent Claims

Claims 1-42 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Wolfe in view of Gervais. For the Patent Office to establish *prima facie* obviousness, the Patent Office must show where each and every claim element can be found in the combination of references. MPEP § 2143.03. When determining whether the references or combination of references teaches an element, the Patent Office is entitled to interpret the claim elements broadly. However, this interpretation is limited in several respects. First, the interpretation is made in light of the specification. Further, the interpretation must be reasonable to someone skilled in the art. MPEP § 2111.

The claimed invention is directed to the reselling of files, not generating income through referred sales of items, as taught by Wolfe. In particular, Wolfe does not teach the following

elements of claim 1: “maintaining a data repository for storing information relating to the files available in the digital marketplace” and “in response to a first user requesting to resell a particular file and thereby becoming a reseller, using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file. . . .”

Claim 1 specifically recites “maintaining a data repository for storing information relating to the files available in the digital marketplace.” Appellant has studied Wolfe and finds no teaching wherein the files are available for sale, as indicated in claim 1. In the Final Office Action, the Patent Office responds that “Wolfe is directed to electronic commerce transactions and more specifically to a system, method, and storage medium for generating a commission link. Wolfe does not limit the invention to merely reselling files, but rather to any items for sale in an electronic environment” (Final Office Action mailed February 28, 2006, p. 2)¹. The Examiner has proven Appellant’s point that Wolfe is specifically directed to generating a commission link, and not to reselling particular files available in the digital marketplace. Wolfe teaches items for sale in an electronic environment, but does not disclose reselling files. Although Wolfe may teach items for sale, it does not describe the reselling of files, as claimed in claim 1. Therefore, Wolfe does not teach or suggest each and every element of claim 1. Gervais does not cure the deficiencies of Wolfe (see footnote 1). Thus, claim 1 is patentable over Wolfe and Gervais.

Claim 1 further recites “in response to a first user requesting to resell a particular file and thereby becoming a reseller, using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file. . . .” Thus, the claim requires that a first user requests to resell a particular file and thereby becomes a reseller, and that the data repository is used to dynamically generate a RURL that uniquely identifies the reseller and the file. In contrast, Wolfe teaches an affiliate program wherein an affiliate earns commissions for referring customers to a merchant site. The customer purchases directly from the merchant web site and the affiliate gets the commission (Wolfe, Abstract; paragraph 0016). At no time is the affiliate ever a reseller as that term is used in the Specification. Certainly no one of ordinary skill in the art would consider an affiliate who does not sell any product to be a reseller. The Patent Office cites to Wolfe, col. 15, lines 20-25, at page 8, paragraph 0080 as

¹ The Examiner admits that Gervais was introduced merely for the assertion that it demonstrated automatic disbursement to all interested parties. Therefore, Gervais does not teach a reseller or the reselling of files.

allegedly teaching the limitation of “in response to a first user requesting to resell a particular file and thereby becoming a reseller, using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file. . .” (Office Action mailed September 19, 2005, p. 5). The cited passage discusses the relationship between the affiliate and the website, indicating that the affiliate retains control over the customer’s browser. The passage confirms that the user performs an action on the merchant site 40, effectively proving that the affiliate is not the entity from whom the customer makes the purchase (and thus precluding the affiliate from being the reseller of the claim).

The Patent Office responds in the Final Office Action by initially stating that “[a]lthough the applicant may be referring to a link as a reseller URL, Wolfe teaches the same mechanism in tracking and collecting commission and sales revenue as recited in the claimed invention. Furthermore, applicant’s distinction between a frame controlled by a merchant or not is irrelevant as to the in (sic) both the invention and Wolfe a link is generated to accomplish the stated provisions” (Final Office Action mailed February 28, 2006, p. 2). Secondly, the Examiner cites paragraph 0027 of Wolfe (Final Office Action mailed February 28, 2006, p. 3). Finally, the Examiner cites Wolfe, paragraph 0044 as teaching that the most basic complication is that many merchants do not offer their affiliates the opportunity to link to individual products, and therefore, Wolfe’s affiliate can be both affiliate and reseller (Final Office Action mailed February 28, 2006, p. 3).

The Patent Office seems to be missing Appellant’s point. None of the cited passages of Wolfe teach the recited element “in response to a first user requesting to resell a particular file and thereby becoming a reseller.” Wolfe simply does not disclose a first user requesting to resell a particular file and thereby becoming a reseller. Nor does Wolfe teach that in response to the user requesting to resell a particular file, the data repository is used to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file. Even if Wolfe teaches the same mechanism for tracking and collecting commission and sales revenue, a point Appellant does not concede, it does not teach the specific limitations of the claim. The Patent Office seems to be ignoring the specific language of the claim, which requires “in response to a first user requesting to resell a particular file and thereby becoming a reseller, using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file.”

Paragraph 0027 of Wolfe discusses how, when the consumer is linked to the affiliate's web site, a tracking process may be triggered, and when the affiliate web server redirects the consumer to the merchant web site, the merchant web site continues the tracking process and reports sales and commissions back to the affiliate network. After redirection, the URL displayed in the consumer's browser corresponds to the merchant web site so that in most cases, the consumer is unaware that he or she was first directed to the affiliate web site. While the consumer may not be aware that he or she has been redirected to the merchant web site, and the merchant web site may track sales and commissions, this paragraph still does not teach a "first user requesting to resell a particular file and thereby becoming a reseller." In addition, the URL displayed is that of the merchant, and is therefore not a RURL that uniquely identifies the reseller and the file, as required by claim 1.

Finally, the Patent Office's cite to paragraph 0044 of Wolfe as allegedly supporting the theory that Wolfe's affiliate can be both affiliate and reseller does not support the alleged theory. The fact that Wolfe may disclose that many merchants do not offer their affiliates the opportunity to link to individual products does not mean the affiliate is a reseller. Moreover, there is nothing in paragraph 0044 or the rest of Wolfe that teaches a "first user requesting to resell a particular file and thereby becoming a reseller." The affiliate of Wolfe does not request to resell a particular file and thereby becomes a reseller. Moreover, as discussed above, since the URL displayed is that of the merchant and not the affiliate, Wolfe does not teach using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file, as required by claim 1. Therefore, Wolfe does not teach this claim element.

The combination of Wolfe and Gervais fails to teach an additional element of the independent claims. The independent claims 1, 15, and 29 all recite in step (d) "retrieving from the data repository the business rules associated with the file identified in the RURL to customize the download of the file to the second user and to automatically distribute payments to the reseller and owner of the file." The Patent Office admits that Wolfe does not teach automatically distributing payment to the owner of the file, but cites to Gervais as allegedly teaching this limitation (Final Office Action mailed February 28, 2006, p. 5). In particular, the Patent Office states that Gervais at pp. 18-20 teaches an electronic rights management and digital

identifier system where payment can be distributed automatically to content owners through links either directly or through an aggregator of data or third party. *Id.*

Appellant respectfully submits that Gervais does not teach or suggest any method to “automatically distribute payments to the reseller and owner of the file.” The cited passages of Gervais at best disclose that a digital content owner could receive with the payment for use of his works a report on the number of uses of the works from an aggregator of data or a collective management organization using an electronic copyright-management system (Gervais, p. 19). Gervais also discusses that an electronic copyright-management system should allow users to access material in such a way they know what is for sale, but full access would require payment. *Id.* Gervais therefore merely teaches that a user should have to pay for copyrighted digital content and that the owner should receive payment, optionally together with some information about the uses of the content. However, such payment is not automatically distributed, nor is it accomplished by retrieving from a data repository business rules associated with the file identified in the RURL. Thus, Gervais does not teach or suggest “retrieving from the data repository the business rules associated with the file identified in the RURL to customize the download of the file to the second user and to automatically distribute payments to the reseller and owner of the file.” Since Gervais does not teach or suggest the limitation, the combination does not teach or suggest the claim limitation. Therefore, the independent claims are patentable for this additional reason.

As set forth above, Wolfe does not teach or suggest each and every element of claim 1. Nothing in Gervais cures the deficiencies of Wolfe. Since the references individually do not teach or suggest the claim elements, the combination of references cannot teach or suggest the claim elements. Since the combination does not teach or suggest the claim elements, the combination does not establish obviousness, and the claim is allowable for this reason.

Claims 2-14 depend from claim 1 and are not obvious for at least the same reasons.

Claim 15 is substantially similar to claim 1, albeit in a computer software format. Thus, claim 15 is not obvious for at least the same reasons.

Claims 16-28 depend from claim 15 and are not obvious for at least the same reasons.

Claim 29 recites, in relevant part, essentially the same elements as claim 1. That is, claim 29 recites “a data repository accessible by the server for storing information relating to the files available in the digital marketplace. . .”; “a first user contacting the server and requesting to

resell a particular file and thereby becoming a reseller. . .”; and “uses the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file. . . .” These correspond to the elements addressed above. As explained above, Wolfe and Gervais do not teach or suggest these elements, and therefore claim 29 is not obvious. Claims 30-42 depend from claim 29 and are not obvious for at least the same reasons.

2. The Combination of Wolfe and Gervais Does Not Teach or Suggest Each Element of the Dependent Claims 4-6, 18-20, and 32-34

Some dependent claims deserve special mention. Claims 4, 18, and 32 recite the limitation of providing each record with a file ID, a file name, a content owner ID, metafile information, a fingerprint, and the business rules. The Patent Office states that paragraphs 0043, 0074-0077, 0085, and 0086 of Wolfe discloses these elements (Final Office Action mailed February 28, 2006, p. 6). Appellant has reviewed these passages and does not find a teaching of providing each record with all of the claimed information. The closest Appellant finds is the teaching of an affiliate identity code. This teaching of Wolfe is not equivalent to providing each record with a file ID, a file name, a content owner ID, metafile information, a fingerprint, and the business rules. Nothing in Gervais cures the deficiencies of Wolfe. Since the references individually do not teach or suggest the claim element, the combination of references cannot teach or suggest the claim element, and the claims are non-obvious. Since the claims are non-obvious, claims 4, 18, and 32 are independently patentable over the rejection of record.

Claims 6, 20, and 34 depend from claims 4, 18, and 32, respectively, and add the further limitation that the fingerprint is used to uniquely identify each file by content of the file. The Patent Office states that paragraphs 0052-0062 of Wolfe disclose this element (Final Office Action mailed February 28, 2006, p. 6). The fingerprint of the present invention is comprised of bitstream ID 90 and digital signature 92 (Specification, p. 12, line 21 through p. 13, line 12). The affiliate identity code, merchant identifier and product identifier of Wolfe discussed in paragraphs 0052-0062 are not a fingerprint that is used to uniquely identify each file by content of the file. Nothing in Gervais cures the deficiencies of Wolfe. Since the references individually do not teach or suggest the claim element, the combination of references cannot teach or suggest the claim element, and the claims are non-obvious. Since the claims are non-obvious, claims 6, 20, and 34 are independently patentable over the rejection of record.

Claims 5, 19, and 33 recite that the rules have a redistributable indicator that indicates whether the file is redistributable. The Patent Office asserts that this is shown by Wolfe, paragraph 0027 (Final Office Action mailed February 28, 2006, p. 6). Paragraph 0027 does describe the process of linking to the affiliate network, but there is nothing in the passage that indicates the file is redistributable. Redirection is not the same as redistribution. Appellant therefore submits that the Patent Office has failed to show that Wolfe discloses the redistributable indicator of claims 5, 19, and 33. Nothing in Gervais cures the deficiencies of Wolfe. Since the references individually do not teach or suggest the claim elements, the combination of references cannot teach or suggest the claim elements, and the claims are non-obvious. Since the claims are non-obvious, claims 5, 19, and 33 are independently patentable over the rejection of record.

E. Conclusion

The Patent Office has not shown where all the elements of the claims are shown with sufficient particularity to sustain an obviousness rejection. Specific elements of claim 1 are not taught or suggested by Wolfe, Gervais, or the combination thereof. The claimed invention is directed to the reselling of files, not generating income through referred sales of items, as taught by Wolfe. In addition, Gervais does not teach or suggest business rules to automatically distribute payments to the reseller and owner of the file. Since the Examiner has not shown where each and every element is taught or suggested in the combined references, obviousness has not been established. As such, Appellant requests that the Board reverse the Examiner and instruct the Examiner to allow the claims.

Respectfully submitted,

WITHROW & TERRANOVA, P.L.L.C.

By: 

Benjamin S. Withrow
Registration No. 40,876
P.O. Box 1287
Cary, NC 27512
Telephone: (919) 654-4520

Date: August 2, 2006

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(8) APPENDIX

1. A method for enabling electronic delivery of files in a digital marketplace, the method comprising the steps of:

(a) maintaining a data repository for storing information relating to the files available in the digital marketplace, including business rules associated with each file that define electronic transfer of the files during commercial transactions;

(b) in response to a first user requesting to resell a particular file and thereby becoming a reseller, using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file;

(c) providing the RURL to the reseller for posting on a website in order to make the file commercially available to others on the website; and

(d) in response to a second user clicking on a link to download the file, retrieving from the data repository the business rules associated with the file identified in the RURL to customize the download of the file to the second user and to automatically distribute payments to the reseller and owner of the file.

2. The method of claim 1 wherein step (a) further includes the step of: providing within the business rules a pricing model associated with the file.

3. The method of claim 2 wherein step (a) further includes the step of: storing a record for each file that includes fields for identifying a location of the file and the owner of the file.

4. The method of claim 3 wherein step (a) further includes the step of: providing each record with a file ID, a file name, a content owner ID, metafile information, a fingerprint, and the business rules.

5. The method of claim 4 wherein step (a) further includes the step of: providing the business rules with a redistributable indicator that indicates whether the file is redistributable.

6. The method of claim 4 wherein step (a) further includes the step of: using the fingerprint to uniquely identify each file by content of the file.

7. The method of claim 6 wherein step (a) further includes the step of: generating a bitstream ID by calculating binary values in data blocks of the file.
8. The method of claim 2 wherein step (d) further includes the step of:
 - (i) charging the second user a retail price for downloading the file.
9. The method of claim 8 wherein step (a) further includes the step of:
 - (i) allowing a content owner to set the retail price and a reseller commission both positively and negatively.
10. The method of claim 2 wherein step (b) further includes the step of:
 - (i) providing the RURL with a web address of the marketplace, the file ID, and the user ID of the reseller.
11. The method of claim 10 wherein step (b) further includes the step of:
 - (i) providing the RURL by displaying the RURL and allowing the reseller to copy and paste the RURL on the website.
12. The method of claim 10 wherein step (b) further includes the step of:
 - (i) providing the RURL via email.
13. The method of claim 1 further including the step of: implementing the digital marketplace as a website on a network.
14. The method of claim 1 further including the step of: implementing the digital marketplace as a peer-to-peer network.
15. A computer-readable medium containing program instructions for enabling electronic delivery of files, the instructions for:

(a) maintaining a data repository for storing information relating to the files available in a digital marketplace, including business rules associated with each file that define electronic transfer of the files during commercial transactions;

(b) in response to a first user requesting to resell a particular file and thereby becoming a reseller, using the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file;

(c) providing the RURL to the reseller for posting on a website in order to make the file commercially available to others on the website; and

(d) in response to a second user clicking on a link to download the file, retrieving from the data repository the business rules associated with the file identified in the RURL to customize the download of the file to the second user and to automatically distribute payment to the reseller and owner of the file.

16. The computer-readable medium of claim 15 wherein instruction (a) further includes the instruction of: providing within the business rules a pricing model associated with the file.

17. The computer-readable medium of claim 16 wherein instruction (a) further includes the instruction of: storing a record for each file that includes fields for identifying a location of the file and the owner of the file.

18. The computer-readable medium of claim 17 wherein instruction (a) further includes the instruction of: providing each record with a file ID, a file name, a content owner ID, metafile information, a fingerprint, and the businesses rules.

19. The computer-readable medium of claim 18 wherein instruction (a) further includes the instruction of: providing the business rules with a redistributable indicator that indicates whether the file is redistributable.

20. The computer-readable medium of claim 18 wherein instruction (a) further includes the instruction of: using the fingerprint to uniquely identify each file by content of the file.

21. The computer-readable medium of claim 20 wherein instruction (a) further includes the instruction of: generating a bitstream ID by calculating binary values in data blocks of the file.

22. The computer-readable medium of claim 16 wherein instruction (d) further includes the instruction of:

(i) charging the second user a retail price for downloading the file.

23. The computer-readable medium of claim 22 wherein instruction (a) further includes the instruction of:

(i) allowing a content owner to set the retail price and a reseller commission both positively and negatively.

24. The computer-readable medium of claim 16 wherein instruction (b) further includes the instruction of:

(i) providing the RURL with a web address of the marketplace, a file ID, and a user ID of the reseller.

25. The computer-readable medium of claim 24 wherein instruction (b) further includes the instruction of:

(i) providing the RURL by displaying the RURL and allowing the reseller to copy and paste the RURL on the website.

26. The computer-readable medium of claim 24 wherein instruction (b) further includes the instruction of:

(i) providing the RURL via email.

27. The computer-readable medium of claim 15 further including the instruction of: implementing the digital marketplace as a website on a network.

28. The computer-readable medium of claim 15 further including the instruction of: implementing the digital marketplace as a peer-to-peer network.

29. A system for enabling electronic delivery of files over a network comprising a plurality of client computers, comprising:

a digital marketplace including a server coupled to the network;

a data repository accessible by the server for storing information relating to the files available in the digital marketplace, wherein the information includes business rules associated with each file that define electronic transfer of the files during commercial transactions;

wherein in response to a first user contacting the server and requesting to resell a particular file and thereby becoming a reseller, the server:

uses the data repository to dynamically generate a reseller uniform resource locator (RURL) that uniquely identifies the reseller and the file, and

provides the RURL to the reseller for posting on a website in order to make the file commercially available to others on the website; and

in response to a second user clicking on a link to download the file, the server retrieves from the data repository the business rules associated with the file identified in the RURL to customize the download of the file to the second user and automatically distributes payments to the reseller and owner of the file.

30. The system of claim 29 wherein the business rules include a pricing model associated with the file.

31. The system of claim 30 wherein the data repository includes a record for each file that includes fields for identifying a location of the file and the owner of the file.

32. The system of claim 31 wherein each record includes a file ID, a file name, a content owner ID, metafile information, a fingerprint, and the businesses rules.

33. The system of claim 32 wherein the business rules further include a redistributable indicator that indicates whether the file is redistributable.

34. The system of claim 32 wherein the fingerprint uniquely identifies each file by the content of

the file.

35. The system of claim 34 wherein the fingerprint includes a bitstream ID, which is generated by calculating binary values in data blocks of the file.

36. The system of claim 30 wherein the second user is charged the retail price for downloading the file.

37. The system of claim 36 wherein the content owner can set a retail price and a reseller commission both positively and negatively.

38. The system of claim 30 wherein the RURL includes a web address of the marketplace, a file ID, and a user ID of the reseller.

39. The system of claim 38 wherein the RURL is provided by displaying the RURL and allowing the reseller to copy and paste the RURL on the website.

40. The system of claim 38 wherein the RURL is provided via email.

41. The system of claim 29 wherein the digital marketplace is implemented as a website on a network.

42. The system of claim 29 wherein the digital marketplace is implemented as a peer-to-peer network.

(9) EVIDENCE APPENDIX

Appellant relies on no evidence, thus this appendix is not applicable.

(10) RELATED PROCEEDINGS APPENDIX

As there are no related proceedings, this appendix is not applicable.

Exhibit D



UNITED STATES PATENT AND TRADEMARK OFFICE

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/159,224	05/31/2002	Chee Yu	1104-042	8750

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WITHROW & TERRANOVA, P.L.L.C.
100 REGENCY FOREST DRIVE
SUITE 160
CARY, NC 27518

EXAMINER

HOSSAIN, TANIM M

ART UNIT	PAPER NUMBER
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2145

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	03/21/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary

Application No.

10/159,224

Applicant(s)

YU ET AL.

Examiner

Tanim Hossain

Art Unit

2145

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 06 December 2006.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-30 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-30 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- ☒ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☐ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____.
- ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- ☐ Notice of Informal Patent Application
- ☐ Other: _____.

DETAILED ACTION

In view of the Appeal Brief filed on December 6, 2006, PROSECUTION IS HEREBY REOPENED. New grounds of rejection are set forth below.

To avoid abandonment of the application, appellant must exercise one of the following two options:

(1) file a reply under 37 CFR 1.111 (if this Office action is non-final) or a reply under 37 CFR 1.113 (if this Office action is final); or,

(2) initiate a new appeal by filing a notice of appeal under 37 CFR 41.31 followed by an appeal brief under 37 CFR 41.37. The previously paid notice of appeal fee and appeal brief fee can be applied to the new appeal. If, however, the appeal fees set forth in 37 CFR 41.20 have been increased since they were previously paid, then appellant must pay the difference between the increased fees and the amount previously paid.

A Supervisory Patent Examiner (SPE) has approved of reopening prosecution by signing below:

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person

having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1, 2, and 5 are rejected under 35 U.S.C. 103(a) as being unpatentable over Boykin (U.S. 2003/0079222) in view of Davis (U.S. 2004/0037449) in further view of Toh (U.S. 2002/0048372).

As per claim 1, Boykin teaches a method for delivering digital files in a peer-to-peer network comprising a plurality of nodes including at least one server, the method comprising the steps of: making a plurality of files available on the network for accessibility by the nodes (paragraph 0009); partitioning each of the files into a plurality of file chunks (0124); and transmitting the file to a first node from at least one other node by transmitting the chunks of the file to the first node (0126). Boykin does not specifically teach assigning an error detecting code, nor the error detecting code detecting that a file is corrupt in mid-transmission. Davis teaches assigning an error detecting code to each of the chunks (0066, 0067); and upon receipt of each chunk by the first node, computing a new error detecting code and comparing the new error detecting code to the assigned error detecting code to verify that each chunk has been transmitting correctly, whereby the entire contents of the file does not have to be received before the first node discovers that the file is corrupt (0066, 0067). It would have been obvious to one of ordinary skill in the art at the time of the invention to include the detection of errors in file chunks, as taught by Davis, into the error detection system of Boykin. The motivation for doing so lies in the fact that enabling the system to verify the correct transmission of file chunks before transmission is concluded would greatly increase the efficiency of the system, such that the user need not waste time in accumulating the entire file before discerning that the file is corrupt. Both inventions are from the same field of endeavor, namely the distribution of secure content.

Art Unit: 2145

Boykin-Davis does not specifically teach the computation of a fingerprint for each of the digital files based on the content of the files. Toh teaches computing a unique fingerprint for the files (0012). It would have been obvious to one of ordinary skill in the art at the time of the invention to include the ability to create a digital fingerprint in a file, such that the files may be tracked and protected from unauthorized distribution, for example. This teaching is well known in the art of content distribution, and therefore motivation exists to include this teaching, as the prevention of unauthorized media content through fingerprinting is a well-known consideration. All inventions are from the same field of endeavor, namely the secure distribution of content.

As per claim 2, Boykin-Davis-Toh teaches the method of claim 1, wherein step (d) further includes the step of transmitting the file chunks from multiple nodes (Boykin 0060).

As per claim 5, Boykin-Davis-Toh teaches the method of claim 1, but does not specifically teach the partitioning of each of the files such that the file chunks into fixed sized blocks. It would have been obvious to one of ordinary skill in the art at the time of the invention to packetize the media file into equal sized packets. This teaching is widely used in the art of content distribution, to allow for a higher margin for error in data transmission.

Claim 3 is rejected under 35 U.S.C. 103(a) as being unpatentable over Boykin-Davis-Toh in view of Kitze (U.S. 2002/0138362).

As per claim 3, Boykin-Davis-Toh teaches the method of claim 2, but does not specifically teach the step of paying an owner based on contributed bandwidth. Kitze teaches the paying of a sharer of files on a network, based on contribution (0017). It would have been obvious to one of ordinary skill in the art at the time of the invention to include the incentive

Art Unit: 2145

based sharing mechanism as taught by Kitze in the system of Boykin-Davis-Toh. The motivation for doing so lies in the fact that paying the owner of files provides an incentive for that owner to share files over a network. All inventions are from the same field of endeavor, namely the distribution of secure content.

Claim 4 is rejected under 35 U.S.C. 103(a) as being unpatentable over Boykin-Davis-Toh-Kitze in view of Ritter (U.S. 2004/0199474).

As per claim 4, Boykin-Davis-Toh-Kitze teaches the method of claim 3, and the maintenance of an error report (Boykin: 0066, 0067), but does not specifically teach the disabling of the serving of future file requests when error exceed a certain threshold. Ritter teaches the placing of a server onto a blacklist based on predetermined criteria, such as error counts (0061, 0074). It would have been obvious to one of ordinary skill in the art at the time of the invention to include a blacklist system as taught by Ritter into the system of Boykin-Davis-Toh-Kitze. The motivation for doing so lies in the fact that having a blacklist system enables faulty servers to not be employed in the future, saving time and resources. All inventions are from the same field of endeavor, namely the distribution of secure content.

Claims 6 and 7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Boykin-Davis-Toh in view of Cooper (U.S. 2001/0051996).

As per claim 6, Boykin-Davis-Toh teaches the method of claim 1, but does not specifically teach the use of a CRC as the error detecting code. Cooper teaches the use of a CRC to check errors (0222). It would have been obvious to one of ordinary skill in the art at the time

Art Unit: 2145

of the invention to include the use of CRC to monitor errors as taught by Cooper in the system of Boykin-Davis-Toh. In the event of a looped file, an error would easily be revealed, allowing for quick identification of corrupt files. All inventions are from the same field of endeavor, namely the distribution of secure content.

As per claim 7, Boykin-Davis-Toh-Cooper teaches the method of claim 1, wherein step d further includes the step of: storing the error detecting code for each chunk on the server (Cooper: 0222).

Claims 8-10 are rejected under 35 U.S.C. 103(a) as being unpatentable over Boykin-Davis-Toh-Cooper in view of Levy (U.S. 2003/0103645).

As per claim 8, Boykin-Davis-Toh-Cooper teaches the method of claim 7, but does not specifically teach the assignment of error detecting codes. Levy teaches the assignment of error detecting codes by the second node (0056, 0082-0083). It would have been obvious to one of ordinary skill in the art at the time of the invention to include an error detection code assignment as taught by Levy in the system of Boykin-Davis-Toh-Cooper. The motivation for doing so lies in the fact that there code would decipher whether errors are present in the system, which is a necessary component in deciphering file reliability. All inventions are from the same field of endeavor, namely the distribution of secure content.

As per claim 9, Boykin-Davis-Toh-Cooper-Levy teaches the method of claim 8, further including the step of: uploading business rules associated with the file, file metadata, the fingerprint, the chunks, and the error detecting codes from the second node to the server (Levy: 0082-0083).

As per claim 10, Boykin-Davis-Toh-Cooper-Levy teaches the method of claim 9, further including the step of: storing the file metadata in a query database; and storing a peer ID and bandwidth speed of the second peer node and a URL of the file on the second peer node in the location database (Levy: 0056, 0082-0083).

Claims 11-30 are rejected under 35 U.S.C. 103(a) as being unpatentable over Boykin-Davis-Toh-Cooper-Levy in view of Fanning (U.S. 6,742,023).

As per claim 11, Boykin-Davis-Toh-Cooper-Levy teaches the method of claim 10, but does not specifically teach the clicking of a link to transmit the file. Fanning teaches this limitation (column 7, lines 35-48; 9, 61-64; 12, 44-51). It would have been obvious to one of ordinary skill in the art at the time of the invention to include the clicking and downloading of a file as taught by Fanning into the existing system. Most content distribution systems widely use this method of receiving files.

As per claim 12, Boykin-Davis-Toh-Cooper-Levy-Fanning teaches the method of claim 11, further including the step of: contacting by the first node, the server to retrieve the fingerprint and the error detection codes, and a list of known sources on the network containing the file (Fanning: column 7, lines 35-48; 9, 61-64; 12, 44-51).

As per claim 13, Boykin-Davis-Toh-Cooper-Levy-Fanning teaches the method of claim 12, further including the step of: receiving a list of known URLs from the server, eliminating unreliable nodes, and sorting remaining nodes by bandwidth speed, and initiating a download of distinct chunks from successive nodes on the list (Fanning: column 7, lines 35-48; 9, 61-64; 12, 44-51).

As per claim 14, Boykin-Davis-Toh-Cooper-Levy-Fanning teaches the method of claim 1, wherein step f further includes the step of: if the error detecting codes of a particular chunk do not match, requesting the chunk from a different node (Fanning: column 7, lines 35-48; 9, 61-64; 12, 44-51).

As per claim 15, Boykin-Davis-Toh-Cooper-Levy-Fanning teaches the method of claim 1, further including the steps of: reassembling the file from the chunks; and recomputing the fingerprint for the file and comparing it with the fingerprint received from the server to verify the file (Levy: 0050).

Claims 16-30 are rejected on the same bases as claims 1-15 respectively.

Response to Arguments

After review of the Appeal Brief filed on December 6, 2006, it has been decided that the prior art references were deficient with respect to teaching the claimed limitations, and therefore a new grounds of rejection has been issued. Accordingly, finality of the Office Action has been withdrawn.

Art Unit: 2145

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Tanim Hossain whose telephone number is 571/272-3881. The examiner can normally be reached on 8:30 am - 5 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jason Cardone can be reached on 571/272-3933. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Tanim Hossain
Patent Examiner
Art Unit 2145


JASON CARDONE
SUPERVISORY PATENT EXAMINER

Electronic Acknowledgement Receipt

EFS ID:	1354555
Application Number:	10159224
International Application Number:	
Confirmation Number:	8750
Title of Invention:	Method and system for delivering files in digital file marketplace
First Named Inventor/Applicant Name:	Chee Yu
Customer Number:	27820
Filer:	Benjamin Withrow/Michelle Heymann
Filer Authorized By:	Benjamin Withrow
Attorney Docket Number:	1104-042
Receipt Date:	06-DEC-2006
Filing Date:	31-MAY-2002
Time Stamp:	08:15:59
Application Type:	Utility

Payment information:

Submitted with Payment	no
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File Listing:

Document Number	Document Description	File Name	File Size(Bytes)	Multi Part /.zip	Pages (if appl.)
1	Appeal Brief Filed	Revised_Appeal_Brief_12-6-06.pdf	1018008	no	24

Warnings:

Information:**Total Files Size (in bytes):**

1018008

This Acknowledgement Receipt evidences receipt on the noted date by the USPTO of the indicated documents, characterized by the applicant, and including page counts, where applicable. It serves as evidence of receipt similar to a Post Card, as described in MPEP 503.

New Applications Under 35 U.S.C. 111

If a new application is being filed and the application includes the necessary components for a filing date (see 37 CFR 1.53(b)-(d) and MPEP 506), a Filing Receipt (37 CFR 1.54) will be issued in due course and the date shown on this Acknowledgement Receipt will establish the filing date of the application.

National Stage of an International Application under 35 U.S.C. 371

If a timely submission to enter the national stage of an international application is compliant with the conditions of 35 U.S.C. 371 and other applicable requirements a Form PCT/DO/EO/903 indicating acceptance of the application as a national stage submission under 35 U.S.C. 371 will be issued in addition to the Filing Receipt, in due course.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Chee Yu et al.
Serial No. 10/159,224
Filed: 05/31/2002

Examiner: Tanim M. Hossain
Art Unit: 2145

For: **METHOD AND SYSTEM FOR DELIVERING FILES IN DIGITAL FILE
MARKETPLACE**

Mail Stop Appeal Brief – Patents
Commissioner for Patents
PO Box 1450
Alexandria, VA 22313-1450

Sir:

The present **REVISED APPEAL BRIEF** is filed pursuant to 37 C.F.R. § 41.37(c)(1)(viii) to address the Notification of Non-Compliant Appeal Brief mailed November 29, 2006 by amending section (8) APPENDIX. Appellant has previously paid for the Appeal Brief, so no new fee should be required. If any additional fees are required in association with this revised appeal brief, the Director is hereby authorized to charge them to Deposit Account 50-1732, and consider this a petition therefor.

REVISED APPEAL BRIEF

(1) REAL PARTY IN INTEREST

The present application is owned by Qurio Holdings, Inc. whose corporate headquarters are 1130 Situs Court, Suite 216, Raleigh, North Carolina 27606.

(2) RELATED APPEALS AND INTERFERENCES

There are no related appeals or interferences to the best of Appellant's knowledge.

(3) STATUS OF CLAIMS

Claims 1-30 were rejected with the rejection made final on January 26, 2006.

Claims 1-30 are pending and the subject of this appeal.

(4) STATUS OF AMENDMENTS

All amendments have been entered to the best of Appellant's knowledge.

(5) SUMMARY OF CLAIMED SUBJECT MATTER

The present invention claims a technique for delivering digital files in a peer-to-peer network having various nodes and a server. The network includes numerous files. Fingerprints are computed for each of the files based on the content of the files (Specification, p. 4, lines 8-11). A conventional hash or fingerprinting algorithm analyzes the contents of a selected file and generates a unique hash ID or fingerprint ID that is used for identifying the specific contents of the file. The hashing algorithm is designed such that no two files having different file content will [ever] have the same hash ID. However, files having identical file content will have the same hash ID (Specification, p. 1, lines 17-21). Each of the files is partitioned into file chunks. Error detecting codes are assigned to each of the chunks. The file is then transmitted to a first node from another node by transmitting the chunks of the file to the first node. A new error detecting code is computed upon receipt of each chunk by the first node. The new error detecting code is compared to the assigned error detecting code to verify that each chunk has been transmitted correctly (Specification, p. 4, lines 11-18).

Independent claim 1 recites a method for delivering digital files in a peer-to-peer network (Figure 1A) comprising a plurality of nodes (Figure 1A, server nodes 12 and client nodes 14) including at least one server (Figure 1A, server node 12), the method comprising the steps of:

(a) making a plurality of files available on the network for accessibility by the nodes (Specification, p. 8, lines 1-9; Figure 1A, network 10 and nodes 12 and 14; Figure 1B, digital files 20a and 20b);

(b) computing a respective fingerprint for each of the digital files based on content of the files (Specification, p. 1, lines 1-17; p. 4, lines 10-11; p. 14, line 6 through p. 15, line 2; see also Figure 1B, bitstream ID 34, digital signature 40, and fingerprint database 28; Figure 3A, steps 110-112);

(c) partitioning each of the files into a plurality of file chunks (Specification, p. 4, lines 11-13; p. 15, lines 4-5; Figure 3A, step 112);

(d) assigning an error detecting code to each of the chunks (Specification, p. 4, lines 11-13; p. 15, lines 5-11; Figure 1B, error detecting codes 35; Figure 3A, step 114);

(e) transmitting the file to a first node (such as Figure 1, node 12 or 14) from at least one other node (such as Figure 1, node 12 or 14) by transmitting the chunks of the file to the first node (Specification, p. 4, lines 13-15; p. 17, lines 5-14; Figure 3C, step 138); and

(f) upon receipt of each chunk by the first node, computing a new error detecting code and comparing the new error detecting code to the assigned error detecting code to verify that each chunk has been transmitted correctly, whereby the entire contents of the file does not have to be received before the first node discovers that the file is corrupt (Specification, p. 4, lines 15-18; p. 17, lines 16-22; Figure 3D, steps 142, 144, and 146).

Claim 16 is also an independent claim and is directed to a computer readable medium containing program instructions for delivering digital files in a peer-to-peer network (Figure 1A) comprising a plurality of nodes (Figure 1A, server nodes 12 and client nodes 14) including at least one server (Figure 1A, server node 12), the program instructions for carrying out the method described in claim 1. In particular, the program instructions are for:

(a) making a plurality of files available on the network for accessibility by the nodes (Specification, p. 8, lines 1-9; Figure 1A, network 10 and nodes 12 and 14; Figure 1B, digital files 20a and 20b);

(b) computing a respective fingerprint for each of the digital files based on content of the files (Specification, p. 1, lines 1-17; p. 4, lines 10-11; p. 14, line 6 through p. 15, line 2; see also Figure 1B, bitstream ID 34, digital signature 40, and fingerprint database 28; Figure 3A, steps 110-112);

(c) partitioning each of the files into a plurality of file chunks (Specification, p. 4, lines 11-13; p. 15, lines 4-5; Figure 3A, step 112);

(d) assigning an error detecting code to each of the chunks (Specification, p. 4, lines 11-13; p. 15, lines 5-11; Figure 1B, error detecting codes 35; Figure 3A, step 114);

(e) transmitting the file to a first node (such as Figure 1, node 12 or 14) from at least one other node (such as Figure 1, node 12 or 14) by transmitting the chunks of the file to the first node (Specification, p. 4, lines 13-15; p. 17, lines 5-14; Figure 3C, step 138); and

(f) upon receipt of each chunk by the first node, computing a new error detecting code and comparing the new error detecting code to the assigned error detecting code to verify that each chunk has been transmitted correctly, whereby the entire contents of the file does not have to be received before the first node discovers that the file is corrupt (Specification, p. 4, lines 15-18; p. 17, lines 16-22; Figure 3D, steps 142, 144, and 146).

(6) GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

A. Whether claims 1, 2, 5, 16, 17, and 20 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. 2003/0079222 A1 to Boykin et al. (hereinafter “Boykin”) in view of U.S. Patent Application Publication No. 2004/0037449 A1 to Davis et al. (hereinafter “Davis”).

B. Whether claims 3 and 18 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis and further in view of U.S. Patent Application Publication No. 2002/0138362 to Kitze et al. (hereinafter “Kitze”).

C. Whether claims 4 and 19 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis and Kitze and further in view of U.S. Patent Application Publication No. 2004/0199474 to Ritter (hereinafter “Ritter”).

D. Whether claims 6, 7, 21, and 22 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis and further in view of U.S. Patent Application Publication No. 2001/0051996 to Cooper et al. (hereinafter “Cooper”).

E. Whether claims 8-10 and 23-25 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis and Cooper and further in view of U.S. Patent Application Publication No. 2003/0103645 to Levy et al. (hereinafter "Levy").

F. Whether claims 11-15 and 26-30 properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis, Cooper, and Levy and further in view of U.S. Patent No. 6,742,023 to Fanning et al. (hereinafter "Fanning").

(7) ARGUMENT

A. Introduction

With respect to establishing obviousness, the combination of Boykin and Davis fails on two counts. First, the combination fails to disclose each and every element of the claimed invention. In particular, the Patent Office states that Boykin fails to disclose computing a fingerprint for each digital file based on the content of the files, and Davis only discloses the creation of the digital watermark and integrating the digital watermark in multi-media content. Second, there is no motivation to combine the distribution system of Boykin with the digital watermarking system of Davis to arrive at the claimed invention, which requires fingerprinting. If a combination were appropriate, Davis would merely suggest using digital watermarks in the encoded files and music of the Boykin system. The digital watermarks cannot be construed as a fingerprint, which is computed based on the content of the files.

B. Summary of the References

1. U.S. Patent Application Publication No. 2003/0079222 A1 to Boykin

Boykin is directed to perceptual encryption of files of high fidelity music or high quality video to generate files of restricted fidelity music or restricted quality video as perceptually encrypted encoded data in a compression format. The files can then be decoded and played as either restricted fidelity music or restricted quality video, or the files can be decrypted, decoded, and played as high fidelity music or high quality video (Boykin, paragraph 0002).

2. U.S. Patent Application Publication No. 2004/0037449 A1 to Davis

Davis is directed to a method for decoding auxiliary data from media signals in multimedia content. A copy control method decodes a watermark from one of the media signals

in multimedia content and uses the watermark to control processing of the multimedia content. An alternate method uses a watermark decoded from a first media signal to decode a second media signal. The decoded watermark can also be used to decode metadata associated with the media signal. Finally, a key may be formed to decode data from a first and a second watermark (Davis, Abstract). Digital watermarking refers to a process for modifying media content to embed a machine readable code into the data content (Davis, paragraph 0003). Digital watermarks have two main components: an embedding component that embeds the watermark in the media content, and a reading component that detects and reads the embedded watermark (Davis, paragraph 0004).

3. U.S. Patent Application Publication No. 2002/0138362 to Kitze

Kitze is directed to a method and system for providing a digital file marketplace that allows content owners to share their digital files on the marketplace for access by consumers, and generate revenue by charging the consumers fees for receiving or opening the digital files. The method and system further include paying a percentage of the revenue to the content owners as royalties. In a further aspect of the present invention, consumers may become affiliates of the marketplace where the unused bandwidth of the consumer's computers is used to deliver the files to other consumers. As an incentive, affiliates are also paid for donating the bandwidth and for referring new consumers to the marketplace (Kitze, Abstract).

4. U.S. Patent Application Publication No. 2004/0199474 to Ritter

Ritter is directed to a transaction method between a client and a mobile terminal connected to a telecommunication network whereby a client identification (IDUI), a terminal identification (POSID), and transaction-specific data is transmitted to a financial server connected to the telecommunication network. The terminal identification is read or entered in the terminal and transmitted by the telecommunication network to the financial server. The client is equipped with a SIM card which can be connected functionally to a mobile apparatus. The client identification transmitted to the financial server is read in the memory of the SIM card and transmitted to the financial server via at least one interface (Ritter, Abstract).

5. U.S. Patent Application Publication No. 2001/0051996 to Cooper

Cooper is directed to a method for transferring electronic media over a public network in such a way as to provide safeguards for inappropriate distribution of copyrighted or otherwise protected materials. The media information is transparently watermarked with a unique ID, such as one generated from X.509 Digital Certificate and public-key cryptography public/private key pairs, such that the media information can be identified as belonging to a particular individual. Accordingly, the movement of the watermarked files may be monitored and individuals who have inappropriately distributed copyrighted or sensitive materials may be identified (Cooper, Abstract). The embedded unique electronic signature information is referred to as a watermark (Cooper, paragraph 0004).

6. U.S. Patent Application Publication No. 2003/0103645 to Levy

Levy is directed to a method for tracking media signals in multimedia content by uniquely identifying the multimedia content with a digital watermark identifier. A first watermark is embedded in a video channel to uniquely identify the multimedia content or content family. A second watermark is embedded in an audio channel of the multimedia content to uniquely identify a user or user device. When multimedia content is found in an unauthorized or unexpected channel, the content can be traced back to the misappropriating source via the user identifier (Levy, Abstract). The term “digital watermarking” in Levy is used in exactly the same way as in Davis (Levy, paragraphs 0003-0004).

7. U.S. Patent No. 6,742,023 to Fanning

Fanning describes a use-sensitive system for the distribution of data files between users in a network. Each user has a distribution application that has at least one data repository to store data files and a data file transfer server that makes all the data files in the repository available for download by other users (Fanning, Abstract).

C. The Standards for Establishing Obviousness

Section 103(a) of the Patent Act provides the statutory basis for an obviousness rejection and reads as follows:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the

subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Courts have interpreted 35 U.S.C. § 103(a) as being a question of law based on underlying facts. As the Federal Circuit stated:

Obviousness is ultimately a determination of law based on underlying determinations of fact. These underlying factual determinations include: (1) the scope and content of the prior art; (2) the level of ordinary skill in the art; (3) the differences between the claimed invention and the prior art; and (4) the extent of any proffered objective indicia of nonobviousness.

Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH, 139 F.3d 877, 881 (Fed. Cir. 1998) (internal citations omitted).

The burden is on the Patent Office to establish a *prima facie* case of obviousness. *In re Fine*, 837 F.3d 1071, 1074 (Fed. Cir. 1988). “To reach a proper conclusion under § 103, the decisionmaker must step backward in time and into the shoes worn by [a person having ordinary skill in the art] when the invention was unknown and just before it was made.” *Id.* at 1073 (quoting *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561, 1566 (Fed. Cir. 1987) (paraphrase in *Fine*’s original text)). “One cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention.” *In re Fine* at 1075.

The “case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references.” *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999). “Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor’s disclosure as a blueprint for piecing together the prior art to defeat patentability - the essence of hindsight.” *Ibid.*

The Federal Circuit notes

that evidence of a suggestion, teaching, or motivation to combine may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved . . . The range of sources available, however, does not diminish the requirement for actual evidence. That is, the showing must be clear and particular. Broad conclusory statements regarding the teaching of multiple references, standing alone, are not “evidence.”

Ibid (internal citations omitted). It is worth noting that the *Dembiczak* court specifically acknowledged *Fine*, but emphasized the requirement for actual evidence in proving the motivation to combine the references.

It is further worth noting that where the teachings of two or more prior art references conflict, the examiner must weigh the power of each reference to suggest solutions to one of ordinary skill in the art, considering the degree to which one reference might accurately discredit another. *In re Young*, 927 F.2d 588 (Fed. Cir. 1991); MPEP § 2143.01.

For a *prima facie* case of obviousness, the combination must teach or fairly suggest all the claim elements. *In re Royka*, 490 F.2d 981 (CCPA 1974); MPEP § 2143.03. If the Patent Office fails to establish obviousness, then the Appellant is entitled to a patent. *In re Glaug*, 283 F.3d 1335, 1338 (Fed. Cir. 2002).

D. Claims 1, 2, 5, 16, 17, and 20 Are Patentable Over the Combination of Boykin and Davis

1. The Combination of Boykin and Davis Does Not Disclose Computing A Fingerprint for Each Digital File Based on the Content of the Files

Claims 1, 2, and 5¹ were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis. To establish *prima facie* obviousness, the Patent Office must show where each and every element is taught or suggested in the combination of references. MPEP § 2143.03. For the Patent Office to combine references in an obviousness rejection the Patent Office must do two things. First, the Patent Office must state a motivation to combine the references, and second, the Patent Office must support the stated motivation with actual evidence. *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999).

The foundation of the rejections for each of the pending claims 1-30 is the combination of Boykin and Davis. This combination is fundamentally flawed with respect to the claimed invention. Since independent claims 1 and 16 are the broadest claims, the flaw in the combination is addressed with particular reference to these claims.

The second element of independent claims 1 and 16 requires “computing a respective fingerprint for each of the digital files based on the content of the files.” The Patent Office admits that Boykin does not specifically teach the computing of a digital fingerprint of the files

¹ Claims 16, 17, and 20 correspond to claims 1, 2, and 5, respectively, albeit in computer readable medium form. The Patent Office has rejected claims 16-30 on the same basis as claims 1-15 (Final Office Action mailed January 26, 2006, p. 7). Thus, claims 16, 17, and 20 are patentable for the same reasons as claims 1, 2, and 5.

(Final Office Action mailed January 26, 2006, p. 2). To remedy the shortcomings of Boykin, the Patent Office asserts that the creation of a digital watermark in Davis is the same as the Appellant creating a fingerprint. *Id.* There is a significant and distinct difference between the fingerprint computed in the claimed invention and the digital watermark provided by Davis.

A digital fingerprint has a specific and common meaning to one of ordinary skill in the art. A fingerprint is created by processing the actual content with which the fingerprint is associated. In a fashion consistent with industry understanding, Appellant defined a fingerprinting process as follows:

A conventional hash or fingerprinting algorithm *analyzes the contents of a selected file* and generates a unique hash ID or fingerprint ID *that is used for identifying the specific contents of the file*. The hashing algorithm is designed such that no two files having different file content will [ever] have the same hash ID. However, files having identical file content will have the same hash ID” (Specification, p. 1, lines 17-21, emphasis added).

Importantly, a fingerprint is created from the actual content of the file.

A digital watermark is not a fingerprint. Digital watermarks are not created from the content of a file. In contrast, digital watermarks are created to imbed information into the content of a file. The embedded information is not derived from the content of the file. The definition of a digital watermark is defined by the Webopedia Computer Dictionary as follows:

[Digital Watermark:] Also referred to as simply *watermarking*, a pattern of bits inserted into a digital image, audio or video file that identifies the file’s copyright information (author, rights, etc.). The name comes from the faintly visible watermarks imprinted on stationery that identify the manufacturer of the stationery. The purpose of digital watermarks is to provide copyright protection for intellectual property that’s in digital format.

Unlike printed watermarks, which are intended to be somewhat visible, digital watermarks are designed to be completely invisible, or in the case of audio clips, inaudible. Moreover, the actual bits representing the watermark must be scattered throughout the file in such a way that they cannot be identified and manipulated. And finally, the digital watermark must be robust enough so that it can withstand normal changes to the file, such as reductions from lossy compression algorithms.

Satisfying all these requirements is no easy feat, but there are a number of companies offering competing technologies. All of them work by making the watermark appear as *noise* – that is, random data that exists in most digital files anyway. To view a watermark, you need a special program that knows how to extract the watermark data. (See section (9) Evidence Appendix of this Appeal Brief).

Davis also uses the term “digital watermarking” in a manner consistent with the above Webopedia definition and as the term is understood by a person of ordinary skill in the art. Davis refers to digital watermarking as a process for modifying media content to embed a machine readable code into the data content (Davis, paragraph 0003). Digital watermarks have two main components: an embedding component that embeds the watermark in the media content, and a reading component that detects and reads the embedded watermark (Davis, paragraph 0004).

From the above, it is clear that a digital watermark is in no way the same as or analogous to a digital fingerprint. The creation and application of digital watermarks and fingerprints are very different.

With respect to establishing obviousness, the combination of Boykin and Davis therefore fails to disclose each and every element of the claimed invention. In particular, the Patent Office states that Boykin fails to disclose computing a fingerprint for each digital file based on the content of the files, and Davis only discloses the creation of the digital watermark and integrating the digital watermark in multi-media content. Therefore, the combination of Boykin and Davis does not teach or suggest computing a fingerprint for each digital file based on the content of the files, as required by independent claims 1 and 16. Accordingly, claims 1 and 16 are not obvious in view of the combination of Boykin and Davis.

In the Advisory Action, the Patent Office tries again to equate the claimed fingerprint with the digital watermark of Davis. The Patent Office states that different files have different watermarks. The Patent Office also states that the digital watermark of Davis varies by media content such that audio data has a different watermark than a video watermark (Advisory Action mailed April 17, 2006, p. 2). Even if different files in Davis have different watermarks, the Patent Office still ignores the fact that the watermarks of Davis are not based on the content of the files, as required by the claimed invention. The reason the audio file of Davis may have a different watermark than the video file is for exactly the same reason that the Patent Office mentions – different files may have different watermarks. This does not mean that the watermark was created based on the content of the files, as the claimed fingerprint is. At best, Davis discloses different types of files may have different watermarks; this is not the same as computing the fingerprint based on the content of the files. In particular, the watermarks in Davis are not created as the claimed fingerprint is computed. In the present invention, the

claimed fingerprint is computed using a hash or fingerprinting algorithm that *analyzes the contents of a selected file* and generates a unique hash ID or fingerprint ID *that is used for identifying the specific contents of the file* such that no two files having different file content will [ever] have the same hash ID, but files having identical file content will have the same hash ID (Specification, p. 1, lines 1-17). Thus, the watermark of Davis is not equivalent to the claimed fingerprint. Therefore, the combination of Boykin and Davis does not teach or suggest computing a fingerprint for each digital file based on the content of the files, as required by independent claims 1 and 16. Accordingly, claims 1 and 16 are not obvious in view of the combination of Boykin and Davis.

Claims 1 and 16 are not obvious over the combination of Boykin and Davis, as discussed above. Dependent claims 2 and 5 further define independent claim 1 and dependent claims 17 and 20 further define independent claim 16. As such, claims 2, 5, 17, and 20 define patentable subject matter.

2. There is No Motivation to Combine the References

Moreover, there is no motivation to combine the distribution system of Boykin with the digital watermarking system of Davis to arrive at the claimed invention, which requires fingerprinting. If a combination were appropriate, Davis would merely suggest using digital watermarks in the encoded files and music of the Boykin system. The digital watermarks cannot be construed as a fingerprint, which is computed based on the content of the files. The Patent Office provides no suggestion of how the digital watermarks of Davis would be computed based on the content of the audio and video files of Boykin. Therefore, there is no motivation to combine Boykin and Davis.

For this additional reason, the Patent Office has failed to establish *prima facie* obviousness, and independent claims 1 and 16 define patentable subject matter.

E. Dependent Claims 3 and 18 Are Not Obvious

Claims 3 and 18 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin and Davis in view of Kitze. Appellant respectfully traverses. Claims 1 and 16 are not obvious over the combination of Boykin and Davis, as discussed above. Since claims 3 and 18

further define independent claims 1 and 16, respectively, these claims define patentable subject matter.

F. Dependent Claims 4 and 19 Are Not Obvious

Claims 4 and 19 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin, Davis and Kitze in view of Ritter. Appellant respectfully traverses. Claims 1 and 16 are not obvious over the combination of Boykin and Davis, as discussed above. Since claims 4 and 19 further define independent claims 1 and 16, respectively, these claims define patentable subject matter.

G. Dependent Claims 6, 7, 21, and 22 Are Not Obvious

Claims 6, 7, 21, and 22 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin and Davis in view of Cooper. Appellant respectfully traverses. Claims 1 and 16 are not obvious over the combination of Boykin and Davis, as discussed above. Since claims 6, 7, 21, and 22 further define independent claims 1 and 16, respectively, these claims define patentable subject matter.

H. Dependent Claims 8-10 and 23-25 Are Not Obvious

Claims 8-10 and 23-25 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin, Davis and Cooper in view of Levy. Appellant respectfully traverses. Claims 1 and 16 are not obvious over the combination of Boykin and Davis, as discussed above. Since claims 8-10 and 23-25 further define independent claims 1 and 16, respectively, these claims define patentable subject matter.

I. Dependent Claims 11-15 and 26-30 Are Not Obvious

Claims 11-15 and 26-30 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin, Davis, Cooper, and Levy in view of Fanning. Appellant respectfully traverses. Claims 1 and 16 are not obvious over the combination of Boykin and Davis, as discussed above. Since claims 11-15 and 26-30 further define independent claims 1 and 16, respectively, these claims define patentable subject matter.

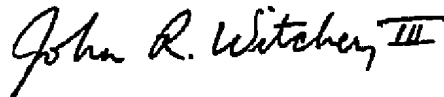
J. Conclusion

The Patent Office has failed to meet the stringent requirements for establishing *prima facie* obviousness. In this case, it is clear that a digital watermark is very different from a fingerprint, which is derived from the content of the file with which it will be associated. Thus, the cited prior art, alone or in combination, fails to teach or suggest computing a fingerprint for each digital file based on the content of the files, as required by the claimed invention. Since each and every element is not taught or suggested in the combination of references, each of the pending claims 1-30 defines patentable subject matter. As such, the present application is now in condition for allowance and Appellant requests that the Board reverse the Examiner and instruct the Examiner to allow claims 1-30.

Respectfully submitted,

WITHROW & TERRANOVA, P.L.L.C.

By:



John R. Witcher, III
Registration No. 39,877
P.O. Box 1287
Cary, NC 27512
Telephone: (919) 654-4520

Date: December 6, 2006
Attorney Docket: 1104-042

(8) APPENDIX

1. A method for delivering digital files in a peer-to-peer network comprising a plurality of nodes including at least one server, the method comprising the steps of:
 - (a) making a plurality of files available on the network for accessibility by the nodes;
 - (b) computing a respective fingerprint for each of the digital files based on content of the files;
 - (c) partitioning each of the files into a plurality of file chunks;
 - (d) assigning an error detecting code to each of the chunks;
 - (e) transmitting the file to a first node from at least one other node by transmitting the chunks of the file to the first node; and
 - (f) upon receipt of each chunk by the first node, computing a new error detecting code and comparing the new error detecting code to the assigned error detecting code to verify that each chunk has been transmitted correctly, whereby the entire contents of the file does not have to be received before the first node discovers that the file is corrupt.
2. The method of claim 1 wherein step (d) further includes the step of: transmitting the file chunks from multiple nodes.
3. The method of claim 2 further including the step of: for each node that successfully transmitted a chunk of the file, determining bandwidth contributed by the node and paying an owner of the node a fee based on the contributed bandwidth.
4. The method of claim 3 further including the steps of: maintaining an error report for each node and designating each node having a total number of reported errors greater than a predetermined threshold as ineligible to serve future file requests.
5. The method of claim 1 wherein step (c) further includes the step of: partitioning each of the files such that the file chunks are fixed sized blocks.
6. The method of claim 1 wherein step (c) further includes the step of: providing a cycle redundancy check (CRC) as the error detecting code.

7. The method of claim 1 wherein step (d) further includes the step of: storing the error detecting code for each chunk on the server.
8. The method of claim 7 wherein the file is published for sharing on the network from a second node, the method further including the step of: computing the fingerprint and assigning the error detecting codes by the second node.
9. The method of claim 8 further including the step of: uploading business rules associated with the file, file metadata, the fingerprint, the chunks, and the error detecting codes from the second node to the server.
10. The method of claim 9 further including the step of:
storing the file metadata in a query database; and
storing a peer ID and bandwidth speed of the second peer node and a URL of the file on the second peer node in the location database.
11. The method of claim 10 wherein step (e) further includes the step of: transmitting the file in response to a user of the first node clicking a link to the URL for the file.
12. The method of claim 11 further including the step of: contacting by the first node, the server to retrieve the fingerprint and the error detection codes, and a list of known sources on the network containing the file.
13. The method of claim 12 further including the step of: receiving a list of known URLs from the server, eliminating unreliable nodes, and sorting remaining node by bandwidth speed, and initiating a download of distinct chunks from successive nodes on the list.
14. The method of claim 1 wherein step (f) further includes the step of: if the error detecting codes of a particular chunk do not match, requesting the chunk from a different node.

15. The method of claim 1 further including the steps of:
reassembling the file from the chunks; and
recomputing the fingerprint for the file and comparing it with the fingerprint received from the server to verify the file.
16. A computer readable medium containing program instructions for delivering digital files in a peer-to-peer network comprising a plurality of nodes including at least one server, the program instructions for:
- (a) making a plurality of files available on the network for accessibility by the nodes;
 - (b) computing a respective fingerprint for each of the digital files based on content of the files;
 - (c) partitioning each of the files into a plurality of file chunks;
 - (d) assigning an error detecting code to each of the chunks;
 - (e) transmitting the file to a first node from at least one other node by transmitting the chunks of the file to the first node; and
 - (f) upon receipt of each chunk by the first node, computing a new error detecting code and comparing the new error detecting code to the assigned error detecting code to verify that each chunk has been transmitted correctly, whereby the entire contents of the file does not have to be received before the first node discovers that the file is corrupt.
17. The computer readable medium of claim 16 wherein instruction (d) further includes the instruction of: transmitting the file chunks from multiple nodes.
18. The computer readable medium of claim 17 further including the instruction of: for each node that successfully transmitted a chunk of the file, determining bandwidth contributed by the node and paying an owner of the node a fee based on the contributed bandwidth.
19. The computer readable medium of claim 18 further including the instructions of: maintaining an error report for each node and designating each node having a total number of reported errors greater than a predetermined threshold as ineligible to serve future file requests.

20. The computer readable medium of claim 16 wherein instruction (c) further includes the instruction of: partitioning each of the files such that the file chunks are fixed sized blocks.
21. The computer readable medium of claim 16 wherein instruction (c) further includes the instruction of: providing a cycle redundancy check (CRC) as the error detecting code.
22. The computer readable medium of claim 16 wherein instruction (d) further includes the instruction of: storing the error detecting code for each chunk on the server.
23. The computer readable medium of claim 22 wherein the file is published for sharing on the network from a second node, the computer readable medium further including the instruction of: computing the fingerprint and assigning the error detecting codes by the second node.
24. The computer readable medium of claim 23 further including the instruction of: uploading business rules associated with the file, file metadata, the fingerprint, the chunks, and the error detecting codes from the second node to the server.
25. The computer readable medium of claim 24 further including the instruction of:
storing the file metadata in a query database; and
storing a peer ID and bandwidth speed of the second peer node and a URL of the file on the second peer node in the location database.
26. The computer readable medium of claim 25 wherein instruction (e) further includes the instruction of: transmitting the file in response to a user of the first node clicking a link to the URL for the file.
27. The computer readable medium of claim 26 further including the instruction of: contacting by the first node, the server to retrieve the fingerprint and the error detection codes, and a list of known sources on the network containing the file.

28. The computer readable medium of claim 27 further including the instruction of: receiving a list of known URLs from the server, eliminating unreliable nodes, and sorting remaining node by bandwidth speed, and initiating a download of distinct chunks from successive nodes on the list.

29. The computer readable medium of claim 16 wherein instruction (f) further includes the instruction of: if the error detecting codes of a particular chunk do not match, requesting the chunk from a different node.

30. The computer readable medium of claim 16 wherein further including the instructions of:

reassembling the file from the chunks; and

recomputing the fingerprint for the file and compares it with the fingerprint received from the server to verify the file.

(9) EVIDENCE APPENDIX

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digital watermark

Last modified: Monday, October 27, 2003

Also referred to as simply *watermarking*, a pattern of bits inserted into a digital image, audio or video file that identifies the file's copyright information (author, rights, etc.). The name comes from the faintly visible watermarks imprinted on stationery that identify the manufacturer of the stationery. The purpose of digital watermarks is to provide copyright protection for intellectual property that's in digital format.

Unlike printed watermarks, which are intended to be somewhat visible, digital watermarks are designed to be completely invisible, or in the case of audio clips, inaudible. Moreover, the actual bits representing the watermark must be scattered throughout the file in such a way that they cannot be identified and manipulated. And finally, the digital watermark must be robust enough so that it can withstand normal changes to the file, such as reductions from lossy compression algorithms.

Satisfying all these requirements is no easy feat, but there are a number of companies offering competing technologies. All of them work by

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making the watermark appear as *noise* - that is, random data that exists in most digital files anyway. To view a watermark, you need a special program that knows how to extract the watermark data.

Watermarking is also called *data embedding* and *information hiding*.

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Look, it's not there

Byte article (January, 1997) by Jian Zhao that describes how digital watermarking works.

Watermarking and Data Hiding Resources

Huge collection of references on multimedia watermarking and data hiding research and technology.

Webreference's Digital Watermark page

Contains links to companies developing digital watermark products, and articles about digital watermarks.

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(10) RELATED PROCEEDINGS APPENDIX

As there are no related proceedings, this appendix is not applicable.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Chee Yu et al.

Serial No. 10/159,224

Filed: 05/31/2002

For: **METHOD AND SYSTEM FOR DELIVERING FILES IN DIGITAL FILE
MARKETPLACE**

Examiner: Tanim M. Hossain

Art Unit: 2145

Mail Stop Appeal Brief -- Patents

Commissioner for Patents

PO Box 1450

Alexandria, VA 22313-1450

Sir:

The present **REVISED APPEAL BRIEF** is filed pursuant to 37 C.F.R. § 41.37(c)(1)(v) and § 41.37(c)(1)(vii) to address the Notification of Non-Compliant Appeal Brief mailed July 3, 2006 by amending section (5) SUMMARY OF CLAIMED SUBJECT MATTER, section (6) GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL, and section (7) ARGUMENT. Appellant has previously paid for the Appeal Brief, so no new fee should be required. If any additional fees are required in association with this revised appeal brief, the Director is hereby authorized to charge them to Deposit Account 50-1732, and consider this a petition therefor.

REVISED APPEAL BRIEF

(1) REAL PARTY IN INTEREST

The present application is owned by Qurio Holdings, Inc. whose corporate headquarters are 1130 Situs Court, Suite 216, Raleigh, North Carolina 27606.

(2) RELATED APPEALS AND INTERFERENCES

There are no related appeals or interferences to the best of Appellant's knowledge.

(3) STATUS OF CLAIMS

Claims 1-30 were rejected with the rejection made final on January 26, 2006.

Claims 1-30 are pending and the subject of this appeal.

(4) STATUS OF AMENDMENTS

All amendments have been entered to the best of Appellant's knowledge.

(5) SUMMARY OF CLAIMED SUBJECT MATTER

The present invention claims a technique for delivering digital files in a peer-to-peer network having various nodes and a server. The network includes numerous files. Fingerprints are computed for each of the files based on the content of the files (Specification, p. 4, lines 8-11). A conventional hash or fingerprinting algorithm analyzes the contents of a selected file and generates a unique hash ID or fingerprint ID that is used for identifying the specific contents of the file. The hashing algorithm is designed such that no two files having different file content will [ever] have the same hash ID. However, files having identical file content will have the same hash ID (Specification, p. 1, lines 17-21). Each of the files is partitioned into file chunks. Error detecting codes are assigned to each of the chunks. The file is then transmitted to a first node from another node by transmitting the chunks of the file to the first node. A new error detecting code is computed upon receipt of each chunk by the first node. The new error detecting code is compared to the assigned error detecting code to verify that each chunk has been transmitted correctly (Specification, p. 4, lines 11-18).

Independent claim 1 recites a method for delivering digital files in a peer-to-peer network (Figure 1A) comprising a plurality of nodes (Figure 1A, server nodes 12 and client nodes 14) including at least one server (Figure 1A, server node 12), the method comprising the steps of:

- (a) making a plurality of files available on the network for accessibility by the nodes (Specification, p. 8, lines 1-9; Figure 1A, network 10 and nodes 12 and 14; Figure 1B, digital files 20a and 20b);
- (b) computing a respective fingerprint for each of the digital files based on content of the files (Specification, p. 1, lines 1-17; p. 4, lines 10-11; p. 14, line 6 through p. 15, line 2; see also Figure 1B, bitstream ID 34, digital signature 40, and fingerprint database 28; Figure 3A, steps 110-112);
- (c) partitioning each of the files into a plurality of file chunks (Specification, p. 4, lines 11-13; p. 15, lines 4-5; Figure 3A, step 112);
- (d) assigning an error detecting code to each of the chunks (Specification, p. 4, lines 11-13; p. 15, lines 5-11; Figure 1B, error detecting codes 35; Figure 3A, step 114);
- (e) transmitting the file to a first node (such as Figure 1, node 12 or 14) from at least one other node (such as Figure 1, node 12 or 14) by transmitting the chunks of the file to the first node (Specification, p. 4, lines 13-15; p. 17, lines 5-14; Figure 3C, step 138); and
- (f) upon receipt of each chunk by the first node, computing a new error detecting code and comparing the new error detecting code to the assigned error detecting code to verify that each chunk has been transmitted correctly, whereby the entire contents of the file does not have to be received before the first node discovers that the file is corrupt (Specification, p. 4, lines 15-18; p. 17, lines 16-22; Figure 3D, steps 142, 144, and 146).

Claim 16 is also an independent claim and is directed to a computer readable medium containing program instructions for delivering digital files in a peer-to-peer network (Figure 1 A) comprising a plurality of nodes (Figure 1A, server nodes 12 and client nodes 14) including at least one server (Figure 1A, server node 12), the program instructions for carrying out the method described in claim 1. In particular, the program instructions are for:

- (a) making a plurality of files available on the network for accessibility by the nodes (Specification, p. 8, lines 1-9; Figure 1A, network 10 and nodes 12 and 14; Figure 1B, digital files 20a and 20b);

(b) computing a respective fingerprint for each of the digital files based on content of the files (Specification, p. 1, lines 1-17; p. 4, lines 10-11; p. 14, line 6 through p. 15, line 2; see also Figure 1B, bitstream ID 34, digital signature 40, and fingerprint database 28; Figure 3A, steps 110-112);

(c) partitioning each of the files into a plurality of file chunks (Specification, p. 4, lines 11-13; p. 15, lines 4-5; Figure 3A, step 112);

(d) assigning an error detecting code to each of the chunks (Specification, p. 4, lines 11-13; p. 15, lines 5-11; Figure 1B, error detecting codes 35; Figure 3A, step 114);

(e) transmitting the file to a first node (such as Figure 1, node 12 or 14) from at least one other node (such as Figure 1, node 12 or 14) by transmitting the chunks of the file to the first node (Specification, p. 4, lines 13-15; p. 17, lines 5-14; Figure 3C, step 138); and

(f) upon receipt of each chunk by the first node, computing a new error detecting code and comparing the new error detecting code to the assigned error detecting code to verify that each chunk has been transmitted correctly, whereby the entire contents of the file does not have to be received before the first node discovers that the file is corrupt (Specification, p. 4, lines 15-18; p. 17, lines 16-22; Figure 3D, steps 142, 144, and 146).

(6) GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

A. Whether claims 1, 2, 5, 16, 17, and 20 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. 2003/0079222 A1 to Boykin et al. (hereinafter "Boykin") in view of U.S. Patent Application Publication No. 2004/0037449 A1 to Davis et al. (hereinafter "Davis").

B. Whether claims 3 and 18 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis and further in view of U.S. Patent Application Publication No. 2002/0138362 to Kitze et al. (hereinafter "Kitze").

C. Whether claims 4 and 19 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis and Kitze and further in view of U.S. Patent Application Publication No. 2004/0199474 to Ritter (hereinafter "Ritter").

D. Whether claims 6, 7, 21, and 22 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis and further in view of U.S. Patent Application Publication No. 2001/0051996 to Cooper et al. (hereinafter "Cooper").

E. Whether claims 8-10 and 23-25 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis and Cooper and further in view of U.S. Patent Application Publication No. 2003/0103645 to Levy et al. (hereinafter "Levy").

F. Whether claims 11-15 and 26-30 properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis, Cooper, and Levy and further in view of U.S. Patent No. 6,742,023 to Fanning et al. (hereinafter "Fanning").

(7) ARGUMENT

A. Introduction

With respect to establishing obviousness, the combination of Boykin and Davis fails on two counts. First, the combination fails to disclose each and every element of the claimed invention. In particular, the Patent Office states that Boykin fails to disclose computing a fingerprint for each digital file based on the content of the files, and Davis only discloses the creation of the digital watermark and integrating the digital watermark in multi-media content. Second, there is no motivation to combine the distribution system of Boykin with the digital watermarking system of Davis to arrive at the claimed invention, which requires fingerprinting. If a combination were appropriate, Davis would merely suggest using digital watermarks in the encoded files and music of the Boykin system. The digital watermarks cannot be construed as a fingerprint, which is computed based on the content of the files.

B. Summary of the References

1. U.S. Patent Application Publication No. 2003/0079222 A1 to Boykin

Boykin is directed to perceptual encryption of files of high fidelity music or high quality video to generate files of restricted fidelity music or restricted quality video as perceptually encrypted encoded data in a compression format. The files can then be decoded and played as either restricted fidelity music or restricted quality video, or the files can be decrypted, decoded, and played as high fidelity music or high quality video (Boykin, paragraph 0002).

2. U.S. Patent Application Publication No. 2004/0037449 A1 to Davis

Davis is directed to a method for decoding auxiliary data from media signals in multimedia content. A copy control method decodes a watermark from one of the media signals

in multimedia content and uses the watermark to control processing of the multimedia content. An alternate method uses a watermark decoded from a first media signal to decode a second media signal. The decoded watermark can also be used to decode metadata associated with the media signal. Finally, a key may be formed to decode data from a first and a second watermark (Davis, Abstract). Digital watermarking refers to a process for modifying media content to embed a machine readable code into the data content (Davis, paragraph 0003). Digital watermarks have two main components: an embedding component that embeds the watermark in the media content, and a reading component that detects and reads the embedded watermark (Davis, paragraph 0004).

3. U.S. Patent Application Publication No. 2002/0138362 to Kitze

Kitze is directed to a method and system for providing a digital file marketplace that allows content owners to share their digital files on the marketplace for access by consumers, and generate revenue by charging the consumers fees for receiving or opening the digital files. The method and system further include paying a percentage of the revenue to the content owners as royalties. In a further aspect of the present invention, consumers may become affiliates of the marketplace where the unused bandwidth of the consumer's computers is used to deliver the files to other consumers. As an incentive, affiliates are also paid for donating the bandwidth and for referring new consumers to the marketplace (Kitze, Abstract).

4. U.S. Patent Application Publication No. 2004/0199474 to Ritter

Ritter is directed to a transaction method between a client and a mobile terminal connected to a telecommunication network whereby a client identification (IDUI), a terminal identification (POSID), and transaction-specific data is transmitted to a financial server connected to the telecommunication network. The terminal identification is read or entered in the terminal and transmitted by the telecommunication network to the financial server. The client is equipped with a SIM card which can be connected functionally to a mobile apparatus. The client identification transmitted to the financial server is read in the memory of the SIM card and transmitted to the financial server via at least one interface (Ritter, Abstract).

5. U.S. Patent Application Publication No. 2001/0051996 to Cooper

Cooper is directed to a method for transferring electronic media over a public network in such a way as to provide safeguards for inappropriate distribution of copyrighted or otherwise protected materials. The media information is transparently watermarked with a unique ID, such as one generated from X.509 Digital Certificate and public-key cryptography public/private key pairs, such that the media information can be identified as belonging to a particular individual. Accordingly, the movement of the watermarked files may be monitored and individuals who have inappropriately distributed copyrighted or sensitive materials may be identified (Cooper, Abstract). The embedded unique electronic signature information is referred to as a watermark (Cooper, paragraph 0004).

6. U.S. Patent Application Publication No. 2003/0103645 to Levy

Levy is directed to a method for tracking media signals in multimedia content by uniquely identifying the multimedia content with a digital watermark identifier. A first watermark is embedded in a video channel to uniquely identify the multimedia content or content family. A second watermark is embedded in an audio channel of the multimedia content to uniquely identify a user or user device. When multimedia content is found in an unauthorized or unexpected channel, the content can be traced back to the misappropriating source via the user identifier (Levy, Abstract). The term “digital watermarking” in Levy is used in exactly the same way as in Davis (Levy, paragraphs 0003-0004).

7. U.S. Patent No. 6,742,023 to Fanning

Fanning describes a use-sensitive system for the distribution of data files between users in a network. Each user has a distribution application that has at least one data repository to store data files and a data file transfer server that makes all the data files in the repository available for download by other users (Fanning, Abstract).

C. The Standards for Establishing Obviousness

Section 103(a) of the Patent Act provides the statutory basis for an obviousness rejection and reads as follows:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the

subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Courts have interpreted 35 U.S.C. § 103(a) as being a question of law based on underlying facts. As the Federal Circuit stated:

Obviousness is ultimately a determination of law based on underlying determinations of fact. These underlying factual determinations include: (1) the scope and content of the prior art; (2) the level of ordinary skill in the art; (3) the differences between the claimed invention and the prior art; and (4) the extent of any proffered objective indicia of nonobviousness.

Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH, 139 F.3d 877, 881 (Fed. Cir. 1998) (internal citations omitted).

The burden is on the Patent Office to establish a *prima facie* case of obviousness. *In re Fine*, 837 F.3d 1071, 1074 (Fed. Cir. 1988). “To reach a proper conclusion under § 103, the decisionmaker must step backward in time and into the shoes worn by [a person having ordinary skill in the art] when the invention was unknown and just before it was made.” *Id.* at 1073 (quoting *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561, 1566 (Fed. Cir. 1987) (paraphrase in *Fine*’s original text)). “One cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention.” *In re Fine* at 1075.

The “case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references.” *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999). “Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor’s disclosure as a blueprint for piecing together the prior art to defeat patentability - the essence of hindsight.” *Ibid.*

The Federal Circuit notes

that evidence of a suggestion, teaching, or motivation to combine may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved . . . The range of sources available, however, does not diminish the requirement for actual evidence. That is, the showing must be clear and particular. Broad conclusory statements regarding the teaching of multiple references, standing alone, are not “evidence.”

Ibid (internal citations omitted). It is worth noting that the *Dembiczak* court specifically acknowledged *Fine*, but emphasized the requirement for actual evidence in proving the motivation to combine the references.

It is further worth noting that where the teachings of two or more prior art references conflict, the examiner must weigh the power of each reference to suggest solutions to one of ordinary skill in the art, considering the degree to which one reference might accurately discredit another. *In re Young*, 927 F.2d 588 (Fed. Cir. 1991); MPEP § 2143.01.

For a *prima facie* case of obviousness, the combination must teach or fairly suggest all the claim elements. *In re Royka*, 490 F.2d 981 (CCPA 1974); MPEP § 2143.03. If the Patent Office fails to establish obviousness, then the Appellant is entitled to a patent. *In re Glaug*, 283 F.3d 1335, 1338 (Fed. Cir. 2002).

D. Claims 1, 2, 5, 16, 17, and 20 Are Patentable Over the Combination of Boykin and Davis

1. The Combination of Boykin and Davis Does Not Disclose Computing A Fingerprint for Each Digital File Based on the Content of the Files

Claims 1, 2, and 5¹ were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis. To establish *prima facie* obviousness, the Patent Office must show where each and every element is taught or suggested in the combination of references. MPEP § 2143.03. For the Patent Office to combine references in an obviousness rejection the Patent Office must do two things. First, the Patent Office must state a motivation to combine the references, and second, the Patent Office must support the stated motivation with actual evidence. *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999).

The foundation of the rejections for each of the pending claims 1-30 is the combination of Boykin and Davis. This combination is fundamentally flawed with respect to the claimed invention. Since independent claims 1 and 16 are the broadest claims, the flaw in the combination is addressed with particular reference to these claims.

The second element of independent claims 1 and 16 requires “computing a respective fingerprint for each of the digital files based on the content of the files.” The Patent Office admits that Boykin does not specifically teach the computing of a digital fingerprint of the files

¹ Claims 16, 17, and 20 correspond to claims 1, 2, and 5, respectively, albeit in computer readable medium form. The Patent Office has rejected claims 16-30 on the same basis as claims 1-15 (Final Office Action mailed January 26, 2006, p. 7). Thus, claims 16, 17, and 20 are patentable for the same reasons as claims 1, 2, and 5.

(Final Office Action mailed January 26, 2006, p. 2). To remedy the shortcomings of Boykin, the Patent Office asserts that the creation of a digital watermark in Davis is the same as the Appellant creating a fingerprint. *Id.* There is a significant and distinct difference between the fingerprint computed in the claimed invention and the digital watermark provided by Davis.

A digital fingerprint has a specific and common meaning to one of ordinary skill in the art. A fingerprint is created by processing the actual content with which the fingerprint is associated. In a fashion consistent with industry understanding, Appellant defined a fingerprinting process as follows:

A conventional hash or fingerprinting algorithm *analyzes the contents of a selected file* and generates a unique hash ID or fingerprint ID *that is used for identifying the specific contents of the file*. The hashing algorithm is designed such that no two files having different file content will [ever] have the same hash ID. However, files having identical file content will have the same hash ID” (Specification, p. 1, lines 17-21, emphasis added).

Importantly, a fingerprint is created from the actual content of the file.

A digital watermark is not a fingerprint. Digital watermarks are not created from the content of a file. In contrast, digital watermarks are created to imbed information into the content of a file. The embedded information is not derived from the content of the file. The definition of a digital watermark is defined by the Webopedia Computer Dictionary as follows:

[Digital Watermark:] Also referred to as simply *watermarking*, a pattern of bits inserted into a digital image, audio or video file that identifies the file’s copyright information (author, rights, etc.). The name comes from the faintly visible watermarks imprinted on stationery that identify the manufacturer of the stationery. The purpose of digital watermarks is to provide copyright protection for intellectual property that’s in digital format.

Unlike printed watermarks, which are intended to be somewhat visible, digital watermarks are designed to be completely invisible, or in the case of audio clips, inaudible. Moreover, the actual bits representing the watermark must be scattered throughout the file in such a way that they cannot be identified and manipulated. And finally, the digital watermark must be robust enough so that it can withstand normal changes to the file, such as reductions from lossy compression algorithms.

Satisfying all these requirements is no easy feat, but there are a number of companies offering competing technologies. All of them work by making the watermark appear as *noise* – that is, random data that exists in most digital files anyway. To view a watermark, you need a special program that knows how to extract the watermark data. (See section (9) Evidence Appendix of this Appeal Brief).

Davis also uses the term “digital watermarking” in a manner consistent with the above Webopedia definition and as the term is understood by a person of ordinary skill in the art. Davis refers to digital watermarking as a process for modifying media content to embed a machine readable code into the data content (Davis, paragraph 0003). Digital watermarks have two main components: an embedding component that embeds the watermark in the media content, and a reading component that detects and reads the embedded watermark (Davis, paragraph 0004).

From the above, it is clear that a digital watermark is in no way the same as or analogous to a digital fingerprint. The creation and application of digital watermarks and fingerprints are very different.

With respect to establishing obviousness, the combination of Boykin and Davis therefore fails to disclose each and every element of the claimed invention. In particular, the Patent Office states that Boykin fails to disclose computing a fingerprint for each digital file based on the content of the files, and Davis only discloses the creation of the digital watermark and integrating the digital watermark in multi-media content. Therefore, the combination of Boykin and Davis does not teach or suggest computing a fingerprint for each digital file based on the content of the files, as required by independent claims 1 and 16. Accordingly, claims 1 and 16 are not obvious in view of the combination of Boykin and Davis.

In the Advisory Action, the Patent Office tries again to equate the claimed fingerprint with the digital watermark of Davis. The Patent Office states that different files have different watermarks. The Patent Office also states that the digital watermark of Davis varies by media content such that audio data has a different watermark than a video watermark (Advisory Action mailed April 17, 2006, p. 2). Even if different files in Davis have different watermarks, the Patent Office still ignores the fact that the watermarks of Davis are not based on the content of the files, as required by the claimed invention. The reason the audio file of Davis may have a different watermark than the video file is for exactly the same reason that the Patent Office mentions – different files may have different watermarks. This does not mean that the watermark was created based on the content of the files, as the claimed fingerprint is. At best, Davis discloses different types of files may have different watermarks; this is not the same as computing the fingerprint based on the content of the files. In particular, the watermarks in Davis are not created as the claimed fingerprint is computed. In the present invention, the

claimed fingerprint is computed using a hash or fingerprinting algorithm that *analyzes the contents of a selected file* and generates a unique hash ID or fingerprint ID *that is used for identifying the specific contents of the file* such that no two files having different file content will [ever] have the same hash ID, but files having identical file content will have the same hash ID (Specification, p. 1, lines 1-17). Thus, the watermark of Davis is not equivalent to the claimed fingerprint. Therefore, the combination of Boykin and Davis does not teach or suggest computing a fingerprint for each digital file based on the content of the files, as required by independent claims 1 and 16. Accordingly, claims 1 and 16 are not obvious in view of the combination of Boykin and Davis.

Claims 1 and 16 are not obvious over the combination of Boykin and Davis, as discussed above. Dependent claims 2 and 5 further define independent claim 1 and dependent claims 17 and 20 further define independent claim 16. As such, claims 2, 5, 17, and 20 define patentable subject matter.

2. There is No Motivation to Combine the References

Moreover, there is no motivation to combine the distribution system of Boykin with the digital watermarking system of Davis to arrive at the claimed invention, which requires fingerprinting. If a combination were appropriate, Davis would merely suggest using digital watermarks in the encoded files and music of the Boykin system. The digital watermarks cannot be construed as a fingerprint, which is computed based on the content of the files. The Patent Office provides no suggestion of how the digital watermarks of Davis would be computed based on the content of the audio and video files of Boykin. Therefore, there is no motivation to combine Boykin and Davis.

For this additional reason, the Patent Office has failed to establish *prima facie* obviousness, and independent claims 1 and 16 define patentable subject matter.

E. Dependent Claims 3 and 18 Are Not Obvious

Claims 3 and 18 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin and Davis in view of Kitze. Appellant respectfully traverses. Claims 1 and 16 are not obvious over the combination of Boykin and Davis, as discussed above. Since claims 3 and 18

further define independent claims 1 and 16, respectively, these claims define patentable subject matter.

F. Dependent Claims 4 and 19 Are Not Obvious

Claims 4 and 19 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin, Davis and Kitze in view of Ritter. Appellant respectfully traverses. Claims 1 and 16 are not obvious over the combination of Boykin and Davis, as discussed above. Since claims 4 and 19 further define independent claims 1 and 16, respectively, these claims define patentable subject matter.

G. Dependent Claims 6, 7, 21, and 22 Are Not Obvious

Claims 6, 7, 21, and 22 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin and Davis in view of Cooper. Appellant respectfully traverses. Claims 1 and 16 are not obvious over the combination of Boykin and Davis, as discussed above. Since claims 6, 7, 21, and 22 further define independent claims 1 and 16, respectively, these claims define patentable subject matter.

H. Dependent Claims 8-10 and 23-25 Are Not Obvious

Claims 8-10 and 23-25 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin, Davis and Cooper in view of Levy. Appellant respectfully traverses. Claims 1 and 16 are not obvious over the combination of Boykin and Davis, as discussed above. Since claims 8-10 and 23-25 further define independent claims 1 and 16, respectively, these claims define patentable subject matter.

I. Dependent Claims 11-15 and 26-30 Are Not Obvious

Claims 11-15 and 26-30 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin, Davis, Cooper, and Levy in view of Fanning. Appellant respectfully traverses. Claims 1 and 16 are not obvious over the combination of Boykin and Davis, as discussed above. Since claims 11-15 and 26-30 further define independent claims 1 and 16, respectively, these claims define patentable subject matter.

J. Conclusion

The Patent Office has failed to meet the stringent requirements for establishing *prima facie* obviousness. In this case, it is clear that a digital watermark is very different from a fingerprint, which is derived from the content of the file with which it will be associated. Thus, the cited prior art, alone or in combination, fails to teach or suggest computing a fingerprint for each digital file based on the content of the files, as required by the claimed invention. Since each and every element is not taught or suggested in the combination of references, each of the pending claims 1-30 defines patentable subject matter. As such, the present application is now in condition for allowance and Appellant requests that the Board reverse the Examiner and instruct the Examiner to allow claims 1-30.

Respectfully submitted,

WITHROW & TERRANOVA, P.L.L.C.

By: 

Benjamin S. Withrow
Registration No. 40,876
P.O. Box 1287
Cary, NC 27512
Telephone: (919) 654-4520

Date: September 15, 2006
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(8) APPENDIX

1. A method for delivering digital files in a peer-to-peer network comprising a plurality of nodes including at least one server, the method comprising the steps of:
 - (g) making a plurality of files available on the network for accessibility by the nodes;
 - (h) computing a respective fingerprint for each of the digital files based on content of the files;
 - (i) partitioning each of the files into a plurality of file chunks;
 - (j) assigning an error detecting code to each of the chunks;
 - (k) transmitting the file to a first node from at least one other node by transmitting the chunks of the file to the first node; and
 - (l) upon receipt of each chunk by the first node, computing a new error detecting code and comparing the new error detecting code to the assigned error detecting code to verify that each chunk has been transmitted correctly, whereby the entire contents of the file does not have to be received before the first node discovers that the file is corrupt.
2. The method of claim 1 wherein step (d) further includes the step of: transmitting the file chunks from multiple nodes.
3. The method of claim 2 further including the step of: for each node that successfully transmitted a chunk of the file, determining bandwidth contributed by the node and paying an owner of the node a fee based on the contributed bandwidth.
4. The method of claim 3 further including the steps of: maintaining an error report for each node and designating each node having a total number of reported errors greater than a predetermined threshold as ineligible to serve future file requests.
5. The method of claim 1 wherein step (c) further includes the step of: partitioning each of the files such that the file chunks are fixed sized blocks.

6. The method of claim 1 wherein step (c) further includes the step of: providing a cycle redundancy check (CRC) as the error detecting code.
7. The method of claim 1 wherein step (d) further includes the step of: storing the error detecting code for each chunk on the server.
8. The method of claim 7 wherein the file is published for sharing on the network from a second node, the method further including the step of: computing the fingerprint and assigning the error detecting codes by the second node.
9. The method of claim 8 further including the step of: uploading business rules associated with the file, file metadata, the fingerprint, the chunks, and the error detecting codes from the second node to the server.
10. The method of claim 9 further including the step of:
storing the file metadata in a query database; and
storing a peer ID and bandwidth speed of the second peer node and a URL of the file on the second peer node in the location database.
11. The method of claim 10 wherein step (e) further includes the step of: transmitting the file in response to a user of the first node clicking a link to the URL for the file.
12. The method of claim 11 further including the step of: contacting by the first node, the server to retrieve the fingerprint and the error detection codes, and a list of known sources on the network containing the file.
13. The method of claim 12 further including the step of: receiving a list of known URLs from the server, eliminating unreliable nodes, and sorting remaining node by bandwidth speed, and initiating a download of distinct chunks from successive nodes on the list.

14. The method of claim 1 wherein step (f) further includes the step of: if the error detecting codes of a particular chunk do not match, requesting the chunk from a different node.

15. The method of claim 1 further including the steps of:
reassembling the file from the chunks; and
recomputing the fingerprint for the file and comparing it with the fingerprint received from the server to verify the file.

16. A computer readable medium containing program instructions for delivering digital files in a peer-to-peer network comprising a plurality of nodes including at least one server, the program instructions for:

- (a) making a plurality of files available on the network for accessibility by the nodes;
- (b) computing a respective fingerprint for each of the digital files based on content of the files;
- (c) partitioning each of the files into a plurality of file chunks;
- (d) assigning an error detecting code to each of the chunks;
- (e) transmitting the file to a first node from at least one other node by transmitting the chunks of the file to the first node; and
- (f) upon receipt of each chunk by the first node, computing a new error detecting code and comparing the new error detecting code to the assigned error detecting code to verify that each chunk has been transmitted correctly, whereby the entire contents of the file does not have to be received before the first node discovers that the file is corrupt.

17. The computer readable medium of claim 16 wherein instruction (d) further includes the instruction of: transmitting the file chunks from multiple nodes.

18. The computer readable medium of claim 17 further including the instruction of: for each node that successfully transmitted a chunk of the file, determining bandwidth contributed by the node and paying an owner of the node a fee based on the contributed bandwidth.

19. The computer readable medium of claim 18 further including the instructions of: maintaining an error report for each node and designating each node having a total number of reported errors greater than a predetermined threshold as ineligible to serve future file requests.
20. The computer readable medium of claim 16 wherein instruction (c) further includes the instruction of: partitioning each of the files such that the file chunks are fixed sized blocks.
21. The computer readable medium of claim 16 wherein instruction (c) further includes the instruction of: providing a cycle redundancy check (CRC) as the error detecting code.
22. The computer readable medium of claim 16 wherein instruction (d) further includes the instruction of: storing the error detecting code for each chunk on the server.
23. The computer readable medium of claim 22 wherein the file is published for sharing on the network from a second node, the computer readable medium further including the instruction of: computing the fingerprint and assigning the error detecting codes by the second node.
24. The computer readable medium of claim 23 further including the instruction of: uploading business rules associated with the file, file metadata, the fingerprint, the chunks, and the error detecting codes from the second node to the server.
25. The computer readable medium of claim 24 further including the instruction of:
storing the file metadata in a query database; and
storing a peer ID and bandwidth speed of the second peer node and a URL of the file on the second peer node in the location database.
26. The computer readable medium of claim 25 wherein instruction (e) further includes the instruction of: transmitting the file in response to a user of the first node clicking a link to the URL for the file.

27. The computer readable medium of claim 26 further including the instruction of: contacting by the first node, the server to retrieve the fingerprint and the error detection codes, and a list of known sources on the network containing the file.

28. The computer readable medium of claim 27 further including the instruction of: receiving a list of known URLs from the server, eliminating unreliable nodes, and sorting remaining node by bandwidth speed, and initiating a download of distinct chunks from successive nodes on the list.

29. The computer readable medium of claim 16 wherein instruction (f) further includes the instruction of: if the error detecting codes of a particular chunk do not match, requesting the chunk from a different node.

30. The computer readable medium of claim 16 wherein further including the instructions of:

reassembling the file from the chunks; and
recomputing the fingerprint for the file and compares it with the fingerprint received from the server to verify the file.

(9) EVIDENCE APPENDIX

http://www.webopedia.com/TERM/d/digital_watermark.html

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digital watermark

Also referred to as simply *watermarking*, a pattern of bits inserted into a digital image, audio or video file that identifies the file's copyright information (author, rights, etc.). The name comes from the faintly visible watermarks imprinted on stationery that identify the manufacturer of the stationery. The purpose of digital watermarks is to provide copyright protection for intellectual property that's in digital format.


Unlike printed watermarks, which are intended to be somewhat visible, digital watermarks are designed to be completely invisible, or in the case of audio clips, inaudible. Moreover, the actual bits representing the watermark must be scattered throughout the file in such a way that they cannot be identified and manipulated. And finally, the digital watermark must be robust enough so that it can withstand normal changes to the file, such as reductions from lossy compression algorithms.

Satisfying all these requirements is no easy feat, but there are a number

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of companies offering competing technologies. All of them work by making the watermark appear as noise - that is, random data that exists in most digital files anyway. To view a watermark, you need a special program that knows how to extract the watermark data.

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Analysis of digital rights management technology.

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Information Hiding Home Page

Provides a brief history of steganography, with links to image watermarking methods, annotated bibliographies, possible problems and failures, companies, products, research groups and news items.

Look, It's not there

Byte article (January, 1997) by Jian Zhao that describes how digital watermarking works.

Watermarking and Data Hiding Resources

Huge collection of references on multimedia watermarking and data hiding research and technology.

Webreference's Digital Watermark page

Contains links to companies developing digital watermark products, and articles about digital watermarks.

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(10) RELATED PROCEEDINGS APPENDIX

As there are no related proceedings, this appendix is not applicable.

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Chee Yu et al.

Examiner: Tanim M. Hossain

Serial No. 10/159,224

Art Unit: 2145

Filed: 05/31/2002

For: METHOD AND SYSTEM FOR DELIVERING FILES IN DIGITAL FILE
MARKETPLACE

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Sir:

An APPEAL BRIEF is filed herewith. Appellant also encloses a Credit Card Payment Form in the amount of \$620.00 to cover the fees associated with this Appeal Brief and a One-month Extension of Time Request. If any additional fees are required in association with this appeal brief, the Director is hereby authorized to charge them to Deposit Account 50-1732, and consider this a petition therefor.

APPEAL BRIEF**(1) REAL PARTY IN INTEREST**

The present application is owned by Qurio Holdings, Inc. whose corporate headquarters are 1130 Situs Court, Suite 216, Raleigh, North Carolina 27606.

(2) RELATED APPEALS AND INTERFERENCES

There are no related appeals or interferences to the best of Appellant's knowledge.

(3) STATUS OF CLAIMS

Claims 1-30 were rejected with the rejection made final on January 26, 2006.

Claims 1-30 are pending and the subject of this appeal.

(4) STATUS OF AMENDMENTS

All amendments have been entered to the best of Appellant's knowledge.

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(5) SUMMARY OF CLAIMED SUBJECT MATTER

The present invention claims a technique for delivering digital files in a peer-to-peer network having various nodes and a server. The network includes numerous files. Fingerprints are computed for each of the files based on the content of the files (Specification, p. 4, lines 8-11). A conventional hash or fingerprinting algorithm analyzes the contents of a selected file and generates a unique hash ID or fingerprint ID that is used for identifying the specific contents of the file. The hashing algorithm is designed such that no two files having different file content will [ever] have the same hash ID. However, files having identical file content will have the same hash ID (Specification, p. 1, lines 17-21). Each of the files is partitioned into file chunks. Error detecting codes are assigned to each of the chunks. The file is then transmitted to a first node from another node by transmitting the chunks of the file to the first node. A new error detecting code is computed upon receipt of each chunk by the first node. The new error detecting code is compared to the assigned error detecting code to verify that each chunk has been transmitted correctly (Specification, p. 4, lines 11-18).

Independent claim 1 recites a method for delivering digital files in a peer-to-peer network (Figure 1A) comprising a plurality of nodes (Figure 1A, server nodes 12 and client nodes 14) including at least one server (Figure 1A, server node 12), the method comprising the steps of:

- (a) making a plurality of files available on the network for accessibility by the nodes (Specification, p. 8, lines 1-9; Figure 1A, network 10 and nodes 12 and 14; Figure 1B, digital files 20a and 20b);
- (b) computing a respective fingerprint for each of the digital files based on content of the files (Specification, p. 1, lines 1-17; p. 4, lines 10-11; p. 14, line 6 through p. 15, line 2; see also Figure 1B, bitstream ID 34, digital signature 40, and fingerprint database 28; Figure 3A, steps 110-112);
- (c) partitioning each of the files into a plurality of file chunks (Specification, p. 4, lines 11-13; p. 15, lines 4-5; Figure 3A, step 112);
- (d) assigning an error detecting code to each of the chunks (Specification, p. 4, lines 11-13; p. 15, lines 5-11; Figure 1B, error detecting codes 35; Figure 3A, step 114);
- (e) transmitting the file to a first node (such as Figure 1, node 12 or 14) from at least one other node (such as Figure 1, node 12 or 14) by transmitting the chunks of the

file to the first node (Specification, p. 4, lines 13-15; p. 17, lines 5-14; Figure 3C, step 138); and

- (f) upon receipt of each chunk by the first node, computing a new error detecting code and comparing the new error detecting code to the assigned error detecting code to verify that each chunk has been transmitted correctly, whereby the entire contents of the file does not have to be received before the first node discovers that the file is corrupt (Specification, p. 4, lines 15-18; p. 17, lines 16-22; Figure 3D, steps 142, 144, and 146).

Claim 16 is also an independent claim and is directed to a computer readable medium containing program instructions for delivering digital files in a peer-to-peer network comprising a plurality of nodes including at least one server, the program instructions for carrying out the method described in claim 1.

(6) GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

A. Whether claims 1, 2, and 5 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. 2003/0079222 A1 to Boykin et al. (hereinafter "Boykin") in view of U.S. Patent Application Publication No. 2004/0037449 A1 to Davis et al. (hereinafter "Davis").

B. Whether claim 3 was properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis and further in view of U.S. Patent Application Publication No. 2002/0138362 to Kitze et al. (hereinafter "Kitze").

C. Whether claim 4 was properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis and Kitze and further in view of U.S. Patent Application Publication No. 2004/0199474 to Ritter (hereinafter "Ritter").

D. Whether claims 6 and 7 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis and further in view of U.S. Patent Application Publication No. 2001/0051996 to Cooper et al. (hereinafter "Cooper").

E. Whether claims 8-10 were properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis and Cooper and further in view of U.S. Patent Application Publication No. 2003/0103645 to Levy et al. (hereinafter "Levy").

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F. Whether claims 11-30 properly rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis, Cooper, and Levy and further in view of U.S. Patent No. 6,742,023 to Fanning et al. (hereinafter "Fanning").

(7) ARGUMENT

A. Introduction

With respect to establishing obviousness, the combination of Boykin and Davis fails on two counts. First, the combination fails to disclose each and every element of the claimed invention. In particular, the Patent Office states that Boykin fails to disclose computing a fingerprint for each digital file based on the content of the files, and Davis only discloses the creation of the digital watermark and integrating the digital watermark in multi-media content. Second, there is no motivation to combine the distribution system of Boykin with the digital watermarking system of Davis to arrive at the claimed invention, which requires fingerprinting. If a combination were appropriate, Davis would merely suggest using digital watermarks in the encoded files and music of the Boykin system. The digital watermarks cannot be construed as a fingerprint, which is computed based on the content of the files.

B. Summary of the References

1. U.S. Patent Application Publication No. 2003/0079222 A1 to Boykin

Boykin is directed to perceptual encryption of files of high fidelity music or high quality video to generate files of restricted fidelity music or restricted quality video as perceptually encrypted encoded data in a compression format. The files can then be decoded and played as either restricted fidelity music or restricted quality video, or the files can be decrypted, decoded, and played as high fidelity music or high quality video (Boykin, paragraph 0002).

2. U.S. Patent Application Publication No. 2004/0037449 A1 to Davis

Davis is directed to a method for decoding auxiliary data from media signals in multimedia content. A copy control method decodes a watermark from one of the media signals in multimedia content and uses the watermark to control processing of the multimedia content. An alternate method uses a watermark decoded from a first media signal to decode a second media signal. The decoded watermark can also be used to decode metadata associated with the

media signal. Finally, a key may be formed to decode data from a first and a second watermark (Davis, Abstract). Digital watermarking refers to a process for modifying media content to embed a machine readable code into the data content (Davis, paragraph 0003). Digital watermarks have two main components: an embedding component that embeds the watermark in the media content, and a reading component that detects and reads the embedded watermark (Davis, paragraph 0004).

3. U.S. Patent Application Publication No. 2002/0138362 to Kitze

Kitze is directed to a method and system for providing a digital file marketplace that allows content owners to share their digital files on the marketplace for access by consumers, and generate revenue by charging the consumers fees for receiving or opening the digital files. The method and system further include paying a percentage of the revenue to the content owners as royalties. In a further aspect of the present invention, consumers may become affiliates of the marketplace where the unused bandwidth of the consumer's computers is used to deliver the files to other consumers. As an incentive, affiliates are also paid for donating the bandwidth and for referring new consumers to the marketplace (Kitze, Abstract).

4. U.S. Patent Application Publication No. 2004/0199474 to Ritter

Ritter is directed to a transaction method between a client and a mobile terminal connected to a telecommunication network whereby a client identification (IDUI), a terminal identification (POSID), and transaction-specific data is transmitted to a financial server connected to the telecommunication network. The terminal identification is read or entered in the terminal and transmitted by the telecommunication network to the financial server. The client is equipped with a SIM card which can be connected functionally to a mobile apparatus. The client identification transmitted to the financial server is read in the memory of the SIM card and transmitted to the financial server via at least one interface (Ritter, Abstract).

5. U.S. Patent Application Publication No. 2001/0051996 to Cooper

Cooper is directed to a method for transferring electronic media over a public network in such a way as to provide safeguards for inappropriate distribution of copyrighted or otherwise protected materials. The media information is transparently watermarked with a unique ID, such

as one generated from X.509 Digital Certificate and public-key cryptography public/private key pairs, such that the media information can be identified as belonging to a particular individual. Accordingly, the movement of the watermarked files may be monitored and individuals who have inappropriately distributed copyrighted or sensitive materials may be identified (Cooper, Abstract). The embedded unique electronic signature information is referred to as a watermark (Cooper, paragraph 0004).

6. U.S. Patent Application Publication No. 2003/0103645 to Levy

Levy is directed to a method for tracking media signals in multimedia content by uniquely identifying the multimedia content with a digital watermark identifier. A first watermark is embedded in a video channel to uniquely identify the multimedia content or content family. A second watermark is embedded in an audio channel of the multimedia content to uniquely identify a user or user device. When multimedia content is found in an unauthorized or unexpected channel, the content can be traced back to the misappropriating source via the user identifier (Levy, Abstract). The term "digital watermarking" in Levy is used in exactly the same way as in Davis (Levy, paragraphs 0003-0004).

7. U.S. Patent No. 6,742,023 to Fanning

Fanning describes a use-sensitive system for the distribution of data files between users in a network. Each user has a distribution application that has at least one data repository to store data files and a data file transfer server that makes all the data files in the repository available for download by other users (Fanning, Abstract).

C. The Standards for Establishing Obviousness

Section 103(a) of the Patent Act provides the statutory basis for an obviousness rejection and reads as follows:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Courts have interpreted 35 U.S.C. § 103(a) as being a question of law based on underlying facts. As the Federal Circuit stated:

Obviousness is ultimately a determination of law based on underlying determinations of fact. These underlying factual determinations include: (1) the scope and content of the prior art; (2) the level of ordinary skill in the art; (3) the differences between the claimed invention and the prior art; and (4) the extent of any proffered objective indicia of nonobviousness.

Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH, 139 F.3d 877, 881 (Fed. Cir. 1998) (internal citations omitted).

The burden is on the Patent Office to establish a *prima facie* case of obviousness. *In re Fine*, 837 F.3d 1071, 1074 (Fed. Cir. 1988). "To reach a proper conclusion under § 103, the decisionmaker must step backward in time and into the shoes worn by [a person having ordinary skill in the art] when the invention was unknown and just before it was made." *Id.* at 1073 (quoting *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561, 1566 (Fed. Cir. 1987) (paraphrase in *Fine*'s original text)). "One cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention." *In re Fine* at 1075.

The "case law makes clear that the best defense against the subtle but powerful attraction of a hindsight-based obviousness analysis is rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references." *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999). "Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability - the essence of hindsight." *Ibid.*

The Federal Circuit notes

that evidence of a suggestion, teaching, or motivation to combine may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved . . . The range of sources available, however, does not diminish the requirement for actual evidence. That is, the showing must be clear and particular. Broad conclusory statements regarding the teaching of multiple references, standing alone, are not "evidence."

Ibid (internal citations omitted). It is worth noting that the *Dembiczak* court specifically acknowledged *Fine*, but emphasized the requirement for actual evidence in proving the motivation to combine the references.

It is further worth noting that where the teachings of two or more prior art references conflict, the examiner must weigh the power of each reference to suggest solutions to one of ordinary skill in the art, considering the degree to which one reference might accurately discredit another. *In re Young*, 927 F.2d 588 (Fed. Cir. 1991); MPEP § 2143.01.

For a *prima facie* case of obviousness, the combination must teach or fairly suggest all the claim elements. *In re Royka*, 490 F.2d 981 (CCPA 1974); MPEP § 2143.03. If the Patent Office fails to establish obviousness, then the Appellant is entitled to a patent. *In re Glaug*, 283 F.3d 1335, 1338 (Fed. Cir. 2002).

D. The Combination of Boykin and Davis Does Not Disclose Computing A Fingerprint for Each Digital File Based on the Content of the Files

Claims 1, 2, 5, 16, 17, and 20 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin in view of Davis. To establish *prima facie* obviousness, the Patent Office must show where each and every element is taught or suggested in the combination of references. MPEP § 2143.03. For the Patent Office to combine references in an obviousness rejection the Patent Office must do two things. First, the Patent Office must state a motivation to combine the references, and second, the Patent Office must support the stated motivation with actual evidence. *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999).

The foundation of the rejections for each of the pending claims 1-30 is the combination of Boykin and Davis. This combination is fundamentally flawed with respect to the claimed invention. Since independent claims 1 and 16 are the broadest claims, the flaw in the combination is addressed with particular reference to these claims.

The second element of independent claims 1 and 16 requires "computing a respective fingerprint for each of the digital files based on the content of the files." The Patent Office admits that Boykin does not specifically teach the computing of a digital fingerprint of the files (Final Office Action mailed January 26, 2006, p. 2). To remedy the shortcomings of Boykin, the Patent Office asserts that the creation of a digital watermark in Davis is the same as the Appellant creating a fingerprint. *Id.* There is a significant and distinct difference between the fingerprint computed in the claimed invention and the digital watermark provided by Davis.

A digital fingerprint has a specific and common meaning to one of ordinary skill in the art. A fingerprint is created by processing the actual content with which the fingerprint is

associated. In a fashion consistent with industry understanding, Appellant defined a fingerprinting process as follows:

A conventional hash or fingerprinting algorithm *analyzes the contents of a selected file* and generates a unique hash ID or fingerprint ID *that is used for identifying the specific contents of the file*. The hashing algorithm is designed such that no two files having different file content will [ever] have the same hash ID. However, files having identical file content will have the same hash ID” (Specification, p. 1, lines 17-21, emphasis added).

Importantly, a fingerprint is created from the actual content of the file.

A digital watermark is not a fingerprint. Digital watermarks are not created from the content of a file. In contrast, digital watermarks are created to imbed information into the content of a file. The embedded information is not derived from the content of the file. The definition of a digital watermark is defined by the Webopedia Computer Dictionary as follows:

[Digital Watermark:] Also referred to as simply *watermarking*, a pattern of bits inserted into a digital image, audio or video file that identifies the file’s copyright information (author, rights, etc.). The name comes from the faintly visible watermarks imprinted on stationery that identify the manufacturer of the stationery. The purpose of digital watermarks is to provide copyright protection for intellectual property that’s in digital format.

Unlike printed watermarks, which are intended to be somewhat visible, digital watermarks are designed to be completely invisible, or in the case of audio clips, inaudible. Moreover, the actual bits representing the watermark must be scattered throughout the file in such a way that they cannot be identified and manipulated. And finally, the digital watermark must be robust enough so that it can withstand normal changes to the file, such as reductions from lossy compression algorithms.

Satisfying all these requirements is no easy feat, but there are a number of companies offering competing technologies. All of them work by making the watermark appear as *noise* – that is, random data that exists in most digital files anyway. To view a watermark, you need a special program that knows how to extract the watermark data. (See section (9) Evidence Appendix of this Appeal Brief).

Davis also uses the term “digital watermarking” in a manner consistent with the above Webopedia definition and as the term is understood by a person of ordinary skill in the art. Davis refers to digital watermarking as a process for modifying media content to embed a machine readable code into the data content (Davis, paragraph 0003). Digital watermarks have two main components: an embedding component that embeds the watermark in the media

content, and a reading component that detects and reads the embedded watermark (Davis, paragraph 0004).

From the above, it is clear that a digital watermark is in no way the same as or analogous to a digital fingerprint. The creation and application of digital watermarks and fingerprints are very different.

With respect to establishing obviousness, the combination of Boykin and Davis therefore fails to disclose each and every element of the claimed invention. In particular, the Patent Office states that Boykin fails to disclose computing a fingerprint for each digital file based on the content of the files, and Davis only discloses the creation of the digital watermark and integrating the digital watermark in multi-media content. Therefore, the combination of Boykin and Davis does not teach or suggest computing a fingerprint for each digital file based on the content of the files, as required by independent claims 1 and 16. Accordingly, claims 1 and 16 are not obvious in view of the combination of Boykin and Davis.

In the Advisory Action, the Patent Office tries again to equate the claimed fingerprint with the digital watermark of Davis. The Patent Office states that different files have different watermarks. The Patent Office also states that the digital watermark of Davis varies by media content such that audio data has a different watermark than a video watermark (Advisory Action mailed April 17, 2006, p. 2). Even if different files in Davis have different watermarks, the Patent Office still ignores the fact that the watermarks of Davis are not based on the content of the files, as required by the claimed invention. The reason the audio file of Davis may have a different watermark than the video file is for exactly the same reason that the Patent Office mentions – different files may have different watermarks. This does not mean that the watermark was created based on the content of the files, as the claimed fingerprint is. At best, Davis discloses different types of files may have different watermarks; this is not the same as computing the fingerprint based on the content of the files. In particular, the watermarks in Davis are not created as the claimed fingerprint is computed. In the present invention, the claimed fingerprint is computed using a hash or fingerprinting algorithm that *analyzes the contents of a selected file* and generates a unique hash ID or fingerprint ID *that is used for identifying the specific contents of the file* such that no two files having different file content will [ever] have the same hash ID, but files having identical file content will have the same hash ID (Specification, p. 1, lines 1-17). Thus, the watermark of Davis is not equivalent to the claimed

fingerprint. Therefore, the combination of Boykin and Davis does not teach or suggest computing a fingerprint for each digital file based on the content of the files, as required by independent claims 1 and 16. Accordingly, claims 1 and 16 are not obvious in view of the combination of Boykin and Davis.

E. There is No Motivation to Combine the References

Moreover, there is no motivation to combine the distribution system of Boykin with the digital watermarking system of Davis to arrive at the claimed invention, which requires fingerprinting. If a combination were appropriate, Davis would merely suggest using digital watermarks in the encoded files and music of the Boykin system. The digital watermarks cannot be construed as a fingerprint, which is computed based on the content of the files. The Patent Office provides no suggestion of how the digital watermarks of Davis would be computed based on the content of the audio and video files of Boykin. Therefore, there is no motivation to combine Boykin and Davis.

For this additional reason, the Patent Office has failed to establish *prima facie* obviousness, and independent claims 1 and 16 define patentable subject matter.

F. Dependent Claims 2-15 and 17-30 Are Not Obvious

Dependent claims 2 and 5 further define independent claim 1 and dependent claims 17 and 20 further define independent claim 16. As such, claims 2, 5, 17, and 20 define patentable subject matter.

Claims 3 and 18 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin and Davis in view of Kitze. Appellant respectfully traverses. Since claims 3 and 18 further define independent claims 1 and 16, respectively, these claims define patentable subject matter.

Claims 4 and 19 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin, Davis and Kitze in view of Ritter. Appellant respectfully traverses. Since claims 4 and 19 further define independent claims 1 and 16, respectively, these claims define patentable subject matter.

Claims 6, 7, 21, and 22 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin and Davis in view of Cooper. Appellant respectfully traverses. Since claims 6, 7,

21, and 22 further define independent claims 1 and 16, respectively, these claims define patentable subject matter.

Claims 8-10 and 23-25 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin, Davis and Cooper in view of Levy. Appellant respectfully traverses. Since claims 8-10 and 23-25 further define independent claims 1 and 16, respectively, these claims define patentable subject matter.

Claims 11-15 and 26-30 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Boykin, Davis, Cooper, and Levy in view of Fanning. Appellant respectfully traverses. Since claims 11-15 and 26-30 further define independent claims 1 and 16, respectively, these claims define patentable subject matter.

G. Conclusion

The Patent Office has failed to meet the stringent requirements for establishing *prima facie* obviousness. In this case, it is clear that a digital watermark is very different from a fingerprint, which is derived from the content of the file with which it will be associated. Thus, the cited prior art, alone or in combination, fails to teach or suggest computing a fingerprint for each digital file based on the content of the files, as required by the claimed invention. Since each and every element is not taught or suggested in the combination of references, each of the pending claims 1-30 defines patentable subject matter. As such, the present application is now in condition for allowance and Appellant requests that the Board reverse the Examiner and instruct the Examiner to allow claims 1-30.

Respectfully submitted,

WITHROW & TERRANOVA, P.L.L.C.

By: 

Benjamin S. Withrow
Registration No. 40,876
P.O. Box 1287
Cary, NC 27512
Telephone: (919) 654-4520

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(8) APPENDIX

1. A method for delivering digital files in a peer-to-peer network comprising a plurality of nodes including at least one server, the method comprising the steps of:
 - (g) making a plurality of files available on the network for accessibility by the nodes;
 - (h) computing a respective fingerprint for each of the digital files based on content of the files;
 - (i) partitioning each of the files into a plurality of file chunks;
 - (j) assigning an error detecting code to each of the chunks;
 - (k) transmitting the file to a first node from at least one other node by transmitting the chunks of the file to the first node; and
 - (l) upon receipt of each chunk by the first node, computing a new error detecting code and comparing the new error detecting code to the assigned error detecting code to verify that each chunk has been transmitted correctly, whereby the entire contents of the file does not have to be received before the first node discovers that the file is corrupt.
2. The method of claim 1 wherein step (d) further includes the step of: transmitting the file chunks from multiple nodes.
3. The method of claim 2 further including the step of: for each node that successfully transmitted a chunk of the file, determining bandwidth contributed by the node and paying an owner of the node a fee based on the contributed bandwidth.
4. The method of claim 3 further including the steps of: maintaining an error report for each node and designating each node having a total number of reported errors greater than a predetermined threshold as ineligible to serve future file requests.
5. The method of claim 1 wherein step (c) further includes the step of: partitioning each of the files such that the file chunks are fixed sized blocks.

6. The method of claim 1 wherein step (c) further includes the step of: providing a cycle redundancy check (CRC) as the error detecting code.
7. The method of claim 1 wherein step (d) further includes the step of: storing the error detecting code for each chunk on the server.
8. The method of claim 7 wherein the file is published for sharing on the network from a second node, the method further including the step of: computing the fingerprint and assigning the error detecting codes by the second node.
9. The method of claim 8 further including the step of: uploading business rules associated with the file, file metadata, the fingerprint, the chunks, and the error detecting codes from the second node to the server.
10. The method of claim 9 further including the step of: storing the file metadata in a query database; and storing a peer ID and bandwidth speed of the second peer node and a URL of the file on the second peer node in the location database.
11. The method of claim 10 wherein step (e) further includes the step of: transmitting the file in response to a user of the first node clicking a link to the URL for the file.
12. The method of claim 11 further including the step of: contacting by the first node, the server to retrieve the fingerprint and the error-detection codes, and a list of known sources on the network containing the file.
13. The method of claim 12 further including the step of: receiving a list of known URLs from the server, eliminating unreliable nodes, and sorting remaining node by bandwidth speed, and initiating a download of distinct chunks from successive nodes on the list.

14. The method of claim 1 wherein step (f) further includes the step of: if the error detecting codes of a particular chunk do not match, requesting the chunk from a different node.

15. The method of claim 1 further including the steps of:
reassembling the file from the chunks; and
recomputing the fingerprint for the file and comparing it with the fingerprint received from the server to verify the file.

16. A computer readable medium containing program instructions for delivering digital files in a peer-to-peer network comprising a plurality of nodes including at least one server, the program instructions for:

- (a) making a plurality of files available on the network for accessibility by the nodes;
- (b) computing a respective fingerprint for each of the digital files based on content of the files;
- (c) partitioning each of the files into a plurality of file chunks;
- (d) assigning an error detecting code to each of the chunks;
- (e) transmitting the file to a first node from at least one other node by transmitting the chunks of the file to the first node; and
- (f) upon receipt of each chunk by the first node, computing a new error detecting code and comparing the new error detecting code to the assigned error detecting code to verify that each chunk has been transmitted correctly, whereby the entire contents of the file does not have to be received before the first node discovers that the file is corrupt.

17. The computer readable medium of claim 16 wherein instruction (d) further includes the instruction of: transmitting the file chunks from multiple nodes.

18. The computer readable medium of claim 17 further including the instruction of: for each node that successfully transmitted a chunk of the file, determining bandwidth contributed by the node and paying an owner of the node a fee based on the contributed bandwidth.

19. The computer readable medium of claim 18 further including the instructions of: maintaining an error report for each node and designating each node having a total number of reported errors greater than a predetermined threshold as ineligible to serve future file requests.
20. The computer readable medium of claim 16 wherein instruction (c) further includes the instruction of: partitioning each of the files such that the file chunks are fixed sized blocks.
21. The computer readable medium of claim 16 wherein instruction (c) further includes the instruction of: providing a cycle redundancy check (CRC) as the error detecting code.
22. The computer readable medium of claim 16 wherein instruction (d) further includes the instruction of: storing the error detecting code for each chunk on the server.
23. The computer readable medium of claim 22 wherein the file is published for sharing on the network from a second node, the computer readable medium further including the instruction of: computing the fingerprint and assigning the error detecting codes by the second node.
24. The computer readable medium of claim 23 further including the instruction of: uploading business rules associated with the file, file metadata, the fingerprint, the chunks, and the error detecting codes from the second node to the server.
25. The computer readable medium of claim 24 further including the instruction of: storing the file metadata in a query database; and storing a peer ID and bandwidth speed of the second peer node and a URL of the file on the second peer node in the location database.
26. The computer readable medium of claim 25 wherein instruction (e) further includes the instruction of: transmitting the file in response to a user of the first node clicking a link to the URL for the file.

27. The computer readable medium of claim 26 further including the instruction of: contacting by the first node, the server to retrieve the fingerprint and the error detection codes, and a list of known sources on the network containing the file.

28. The computer readable medium of claim 27 further including the instruction of: receiving a list of known URLs from the server, eliminating unreliable nodes, and sorting remaining node by bandwidth speed, and initiating a download of distinct chunks from successive nodes on the list.

29. The computer readable medium of claim 16 wherein instruction (f) further includes the instruction of: if the error detecting codes of a particular chunk do not match, requesting the chunk from a different node.

30. The computer readable medium of claim 16 wherein further including the instructions of:

reassembling the file from the chunks; and
recomputing the fingerprint for the file and compares it with the fingerprint received from the server to verify the file.

(9) EVIDENCE APPENDIX

http://www.webopedia.com/TERM/d/digital_watermark.html

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digital watermark

Last modified: Monday, October 27, 2003

Also referred to as simply *watermarking*, a pattern of bits inserted into a digital image, audio or video file that identifies the file's copyright information (author, rights, etc.). The name comes from the faintly visible watermarks imprinted on stationery that identify the manufacturer of the stationery. The purpose of digital watermarks is to provide copyright protection for intellectual property that's in digital format.

Unlike printed watermarks, which are intended to be somewhat visible, digital watermarks are designed to be completely invisible, or in the case of audio clips, inaudible. Moreover, the actual bits representing the watermark must be scattered throughout the file in such a way that they cannot be identified and manipulated. And finally, the digital watermark must be robust enough so that it can withstand normal changes to the file, such as reductions from lossy compression algorithms.

Satisfying all these requirements is no easy feat, but there are a number of companies offering competing technologies. All of them work by

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Page 2 of 3

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Internet Commerce
Be a Commerce Partner
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making the watermark appear as *noise* - that is, random data that exists in most digital files anyway. To view a watermark, you need a special program that knows how to extract the watermark data.

Watermarking is also called *data embedding* and *information hiding*.

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Information Hiding Home Page

Provides a brief history of steganography, with links to image watermarking methods, annotated bibliographies, possible problems and failures, companies, products, research groups and news items.

Look, it's not there

Byte article (January, 1997) by Jian Zhao that describes how digital watermarking works.

Watermarking and Data Hiding Resources

Huge collection of references on multimedia watermarking and data hiding research and technology.

Webreference's Digital Watermark page

Contains links to companies developing digital watermark products, and articles about digital watermarks.

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(10) RELATED PROCEEDINGS APPENDIX

As there are no related proceedings, this appendix is not applicable.